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LATIN AMERICA REPORT

No. 2587

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GOVERNMENT EXPLORES POTENTIAL OIL FIELDS

FL242350 Bridgetown CANA in English 2135 GMT 24 Sep 82

[Text] Bridgetown, Barbados, 24 Sep (CANA)--A senior government official has said a seismic study indicates that five other areas in Barbados have just as much potential as the existing oilfields at Woodbourne in South Eastern Barbados.

However, Senator Clyde Griffith, parliamentary secretary with responsibility for energy, was quoted by the daily NATION newspaper as saying that government had no immediate plans to exploit the locations.

Mr Griffith said government, which recently bought the American oil company Mobil's drilling operations at the Woodbourne oilfields for 12 million dollars (BDSdollar: 50 cents U.S.) intended to fully exploit these fields first.

He said two parishes, St George to the east and St Thomas in the center of the island, were two of the areas with oil potential, the paper reported.

Mobil's explorations manager, Brian Westgate said the government had received free of cost, the results of a number of geological surveys on drilling potential in areas other than at Woodbourne.

Crude oil production last year declined by 30.7 per cent to 211, 375 barrels from 305, 454 barrels in 1980 because of a shift from the previous emphasis on shallow-well drilling to deep drilling and exploration.

Asked why Mobil had sold its drilling and exploration facilities to Barbados, Mr Westgate said it was due to the worldwide economic climate.

Senator Griffith said that Barbados was a casualty of the international oil glut and Mobil had taken the opportunity of getting rid of its local operations.

Last month Barbados' oil production rose, with 700 barrels being produced daily compared with 383 barrels in January.

Mining is done at the 11 wells at Woodbourne in St Phillip. Mobil operates the lone oil refinery here.

CSO: 3298/1105

PROBLEMS IN PROGRAM TO PRODUCE GASOHOL

San Jose LA NACION in Spanish 26 Aug 82 p 4-A

[Text] The gasohol production program is in danger of disappearing because the Tempisque Sugar Mill, Inc (CATSA) has decided to stop making the anhydrous alcohol to mix with gasoline that it was manufacturing in its distillery for the Costa Rican Oil Refinery (RECOPE).

The decision was announced by Juan Manuel Revilla, manager of the sugar mill, and confirmed by Juan Bonilla Ayub, executive president of the Costa Rican Development Corporation, Inc (CODESA). For his part, Dr Roberto Dobles, executive president of RECOPE, said that he was not aware of the announcement, but if true, the program would be suspended inasmuch as it has operated subject to the national consumption and the CATSA production.

Reasons

The engineers Revilla and Bonilla asserted that the distillery operates at a loss and each liter of alcohol produced is delivered to RECOPE at a price below its cost.

This, stated Revilla, is inconceivable from the managerial standpoint. "Therefore," he stressed, "the production of alcohol for RECOPE has been suspended. The gasohol program is finished. So long as a realistic price is not paid for the alcohol, it will not be produced."

The engineer Bonilla Ayub added that the decree which established the procedure for setting the price of the alcohol has not been observed. It stipulates that the setting of the price is to be done jointly by the Ministry of Economy and Trade (MEIC) [sic], RECOPE and CATSA, in order to ensure a reasonable profit for the sugar enterprise.

"This was never done," Bonilla asserted, "inasmuch as RECOPE would unilaterally set the price and that explains the enormous loss that has taken place, which runs into several million colones."

Both Revilla and Bonilla said that there is an international market for alcohol whose prices, under the present circumstances, could be favorable for the country. Therefore, they stated, the goal is to produce alcohol for export and

generate foreign exchange, which will benefit the national economy and provide the necessary earnings for the financial recovery of the enterprise.

Revilla noted that no alcohol will be produced during the next sugar cane harvest. "This is one decision we have already made." And he immediately explained why it will not be done:

"The country lacks sugar and CATSA must dedicate its next harvest to supply the needs of the national market. There will be a shortfall of sugar cane for the next grinding season, therefore the mill will not operate at full capacity. Adequate port facilities are needed in order to export alcohol, and there are none at this time."

Capacity

The capacity of the distillery is 240,000 liters per day, which can be hardly utilized 50 percent. Therefore, Revilla explained, in order to keep enlarging the area of operations of CATSA, the rate of utilization of the distillery will be increased by new sugar cane plantings in places where its transportation costs would be prohibitive because of the distance, and the milling capacity will be improved at the same time. Appropriate equipment will be installed at these new development areas to produce raw molasses, which will be used as feedstock for the distillery and to produce additional sugar.

He explained that there will be no need to use up our foreign exchange because machinery that is lying idle in some mills at this time will be used for this purpose.

Revilla finally said that the next harvest of CATSA will be short--2 months--because there is not enough sugar cane to extend it for the traditional 4-month period.

RECOPE

For his part, the executive president of RECOPE made clear that there are still enough supplies to take care of the consumers for a reasonable time. He pointed out that the production of this fuel has always depended on consumption--which has declined in the past few weeks--and the output of anhydrous alcohol by CATSA. "Gasohol has not gained wide acceptance in the national market," he emphasized.

Doctor Dobles added that regardless of the outcome, the organization under his charge, jointly with the Costa Rican Electricity Institute (ICE) and the Ministry of Energy and Mines, reexamines and reevaluates all policies and sources of energy to redirect the overall energy potential of the country. The task is being actually carried out under the National Energy Planning and Development Program.

"RECOPE knows that we face continual difficulties in the field of energy and that periodic studies must be made for that reason," he stressed. In that manner, we emphasize our policy to promote and develop our sources of energy, Dr Dobles finally said.

REPORT ON OIL DRILLING AT BAJA TALAMANCA

San Jose LA NACION in Spanish 9 Aug 82 p 2-A

[Article by Lafitte Fernandez R]

[Text] The petroleum drilling underway at Baja Talamanca has entered into the "moment-of-truth" phase and if the geologists expectations prove correct, "petroleum could be showing up at any moment." Drilling has reached a depth of 1,650 meters, and the Mexican and Costa Rican technicians in charge of it will not relax until it reaches a depth of 5,300 meters

For that reason, Pedro Afonso, petroleum exploration manager of the Costa Rican Oil Refinery (RECOPE), himself admitted that he always sleeps with a transceiver nearby in expectation of any development at Talamanca, while the workers labor round the clock. However, he also made clear that if they do not find oil, the well will anyway make it possible to study the geologic conditions of the Limon Basin.

Notwithstandingly, Mexican Petroleum (PEMEX) recently sent to the country two petroleum engineers who are experts in evaluating oil deposits; in case there is a favorable development for the country.

Conditions

The engineer Afonso mentioned that at least four of the six geologic conditions that must be present for the existence of petroleum have been confirmed to date.

The borehole has a diameter of 31 centimeters at present, and it is estimated that it could reach a depth of 1,800 meters tomorrow.

The manager commented that the six conditions that must be present are: The existence of cap rock, which serves as a seal to trap the petroleum, and of other sedimentary and oil-yielding rocks. Added to those three conditions are the presence of pockets (cavities in the rock or geometric [sic] formations where petroleum is deposited) and the circumstance that the petroleum created long ago is trapped in them.

Afonso explained that impermeable materials were found down to a depth of 1,477 meters, which "could be cap rock," and that is very important because it meets

the first condition, He said also that they have found rock which could have reserves as well at the upper levels, and that the existence of oil-yielding rock in the area was confirmed when petroleum was discovered in Cocolos (in the 1950's). Besides, the seismologic data that they obtained in the past few months show the existence of pockets.

In accordance with their criterion, they now need to confirm the presence of the two remaining requisites, which might possibly be the most important.

Optimism

The engineer Afonso said that the Costa Ricans and the foreign technicians engaged in the project are optimistic about the outcome. Meanwhile, other officials are in charge of determining the site for the drilling of a second well whether the present one fails or is successful.

The technicians have established other horizons or objectives where the existence of hydrocarbons could be detected between 1,800 meters and 5,300 meters of depth.

8414

CSO: 3010/2300

NAMUCAR TO SEEK FOREIGN FINANCING

San Jose LA NACION in Spanish 14 Aug 82 p 4A

[Text] Member countries of NAMUCAR [The Caribbean Multinational Shipping Line] yesterday authorized the executive council to renew efforts to obtain foreign financing, efforts which failed earlier this year.

The source of this information was Eng René Castro Salazar, director of the Transportation Division, an agency attached to MOPT [the Ministry of Public Works and Transportation].

An agreement was also ratified to the effect that Venezuela, Mexico, and Cuba will contribute an extra 225 thousand [dollars?].

Those in attendance acknowledged and approved our country's policy of support for the shipping line, and they accepted options proposed by our delegates for payment of debts outstanding.

Efforts to obtain foreign financing began in September of last year, with the intent that the money would be used to bring Nicaragua, Costa Rica, Cuba, and Jamaica up to date with their payments.

The English bank of Guinea Nahon made a concrete offer, agreeing to supply a line of credit for 4 million [dollars] for 5 years at 5.8 percent.

The requirement was set that each country belonging to the association issue a letter of endorsement, and while there was support for such a move, the deadline passed twice without any response from the majority of shareholders.

Although current negotiations will also be conducted with English banking institutions, it could not be ascertained whether the same bank will be involved.

Support

Among measures which the Costa Rican Government will take to support NAMUCAR, the multinational line will be given preference with regard to transportation of a specified amount of the crude petroleum which our country imports from Venezuela and Mexico, a policy which will be coordinated with Nicaraguan authorities as well, as they are likewise in debt to the shipping line.

Another measure will consist of including the multinational line in carrying import and export freight normally carried by the state. The third measure refers to the fact that NAMUCAR will be included in the Law of Freight Reserves.

Possible payment plans include: payment of the debt in kind, with export products; issuing fuel required by NAMUCAR's ships at no charge, instead crediting costs due to using NAMUCAR's ships as compared to the shipping rates of other companies will be applied to payment of the debt.

On the other hand, members agreed to study the possibility of admitting new members and the financial and administrative changes this would entail, as well as to analyze the possibility of restructuring the firm under current membership.

9839

CSO: 3010/2302

BRIEFS

MEXICO DEMANDS GUATEMALAN EXPLANATION--The Mexican Foreign Secretariat has demanded clarification from the Guatemalan Government as to the death of five Mexicans and the violation of its territory. The newspaper EXCELSIOR also reported that Mexican airspace is constantly being violated in the southern region by Guatemalan military airplanes. [Text] PA301452 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 29 Sep 82]

CSO: 3248/25

BRIEFS

TOURISM SHIP--A new \$100-million cruise ship will steam out of New York on Saturday with the Bahamian flag flying high. The "Scandinavia" is scheduled in Grand Bahama on Tuesday, bringing 1,300 passengers and 400 cars. The director general of tourism, Mr Baltron Bethel said the operation represents a major and novel step in the expansion of Bahamian tourism. The "Scandinavia" will ply between New York and Freeport, bringing over 100,000 passengers a year, 30 percent of which will stop over in the Bahamas. [FL301610 Nassau Domestic Service in English 1200 GMT 30 Sep 82]

MORE BANKING INSTITUTIONS--The Bahamas is continuing to grow into a full-fledged international banking center. The latest figures for the year show that there are now 342 financial institutions doing business here. That's more than ever before. When the figure comes out for the third quarter, it is likely to rise about four more. Seventeen new institutions were licensed last year while licenses were revoked for 10. Perhaps the most important incentive provided to the international banking community is government's position to uphold the principle of bank secrecy. [Text] [Nassau Domestic Service in English 1200 GMT 30 Sep 82 FL]

CUBAN FISHERMEN ARRESTED--Four Cubans who were arrested by the Defence Force Marines along with over 1,700 lbs of fish near Anguilla Cay on September 16 were each granted cash bails of \$1,500. The four accused, represented by lawyer Henry Bostwick, were Jose Luis Martin Reyes, 24, Mario Gargia Cordova, 28, Serafin Darcia Cordova, 25, and Carlos Gonzalez, 30, all fishermen living in Cuba. The case has been adjourned to November 10. [FL271634 Nassau THE TRIBUNE in English 22 Sep 82 p 1]

CSO: 3298/1107

BRIEFS

NEW BRITISH ENVOY--Bridgetown, Barbados, 23 Sep, CANA--The new British High Commissioner to Barbados and the Eastern Caribbean Viscount John Dunrossil arrives here on Saturday to take up duties, the British High Commission reported today. Viscount Dunrossil succeeds Stanley Arthur who retired at the end of July. [Excerpt] [FL240111 Bridgetown CANA in English 1948 GMT 23 Sep 82]

PAHO MEMBERSHIP--Bridgetown, Barbados, 26 Sep, CANA--Antigua and Barbuda and Belize have become members of the Pan American Health Organisation (PAHO). A statement from the local office of PAHO said that the two Caribbean countries were accepted as members at PAHO's 21st Pan American sanitary conference, underway in Washington. [FL271634 Bridgetown CANA in English 1814 GMT 26 Sep 82]

NEW BRITISH COMMISSIONER--Bridgetown, Barbados, 28 Sep CANA--Britain's new high commissioner to Barbados, Viscount Dunrossil, has presented his letter of introduction to the prime minister, Mr J.M.G. Adams, officially becoming accredited to this country. Viscount Dunrossil, a career diplomat, fresh from a similar posting in Fiji, replaces Mr Stanley Arthur. Viscount Dunrossil is also high commissioner to Antigua and Barbuda, Dominica, Grenada, St Lucia, St Vincent and the Grenadines, and British Government's representative to St Kitts-Nevis. [FL281815 Bridgetown CANA in English 1650 GMT 28 Sep 82]

NEW GUYANESE COMMISSIONER--Bridgetown, Barbados, 28 Sep CANA--Guyanese High Commissioner-Designate to Barbados, Mr Samuel Rudolph Insanally, is to present his credentials to the Governor-General Sir Deighton Ward tomorrow. He will pay a courtesy call on the prime minister, Mr J.M.G. Adams who is also acting minister of foreign affairs and on Deputy Prime Minister Mr H.B. St John. Mr Insanally, who is a resident in Guyana, succeeds Mr Harold Sahadeo whose tour of duty ended in January of this year. [Excerpt] [FL281815 Bridgetown CANA in English 1659 GMT 28 Sep 82]

CSO: 3298/1105

SAO PAULO, RIO RESIDENTS DOUBTFUL ABOUT ECONOMIC RECOVERY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Sep 82 p 24

[Text] The residents of Sao Paulo and Rio de Janeiro are pessimistic regarding a recovery in the national economic situation over the next 2 years. They also feel that the situation was better 2 years ago, and only the members of the socioeconomic class with the highest purchasing power believe in the possibility of a recovery. Those are the main conclusions of a poll commissioned by O ESTADO DE SAO PAULO, the JORNAL DA TARDE, and the JORNAL DO BRASIL from the Gallup Public Opinion Institute. The poll was conducted in both cities in August, and 1,158 adults of both sexes were interviewed.

The poll, which included persons of all ages and all socioeconomic levels, was based on a vertical scale running from +5 to -5, and those interviewed were asked to indicate on that scale where the country's current economic situation stands. The point marked +5 indicates the "best possible," and the point marked -5 indicates the "worst possible." The negative percentages outnumbered the positive percentages on this part of the questionnaire.

According to Gallup's conclusions, the positive assessments came to 41 percent in Sao Paulo, compared to 42 percent in Rio de Janeiro. But the negative assessments far surpassed those levels: 58 percent in Sao Paulo and 56 percent in the city of Rio de Janeiro. The weighted indices (-0.77 percent in Sao Paulo and -0.97 percent in Rio de Janeiro) show that the current state of the Brazilian economy is regarded "in a preponderantly negative way" by the residents of both cities. As regards the point indicating "worst possible," 28 percent of those polled in Sao Paulo and 20 percent of those in Rio de Janeiro consider that to be the country's real situation, compared to only 4 percent who consider it the "best possible."

It Was Better Before

The Gallup Institute then asked those being polled to state their opinion regarding the state of the Brazilian economy 2 years ago, using the same scale of values. The responses indicate that most of those polled feel that it was better in 1980. In the city of Sao Paulo, the positive assessments concerning the situation 2 years ago reached 65 percent, or less than in Rio de Janeiro, where the figure was 67 percent. Negative assessments totaled 32 percent in Sao Paulo and 31 percent in Rio de Janeiro, compared to 58 and 56 percent respectively as far as the present situation is concerned.

The weighted index for that assessment is +0.97 percent for 2 years ago and -0.98 percent for the present. In Rio de Janeiro, the index for 1980 is +1.23 percent, while for the present situation it is -0.77 percent.

Concerning the future, there is pessimism among most of those polled. Asked to indicate the level they expect the national economic situation to reach over the next 2 years, those giving a positive assessment totaled 53 percent in Sao Paulo and 57 percent in Rio de Janeiro (compared to 65 percent and 67 percent with respect to the situation 2 years ago). The negative assessments were lower than that: 39 percent in Sao Paulo and 37 percent in Rio de Janeiro. The weighted indices show +0.97 percent for 2 years ago and +0.18 percent for the next 2 years (in Sao Paulo) and +1.23 percent for 2 years ago and +0.54 percent for the present [as published] (in Rio de Janeiro).

According to the survey, a grouping of the residents of Sao Paulo and Rio de Janeiro by socioeconomic class based on purchasing power shows that only Class A has any optimism regarding an improvement in the country's current economic situation. In Class A, 0.15 percent feel that the situation is bound to improve within the next 2 years. Expectations are negative in Classes B and C (-0.40 percent and -0.01 percent respectively. In Class D, there is a little optimism at +0.99 percent.

11798

CSO: 3001/233

PMDB FORECASTS GUBERNATORIAL VICTORIES IN 14 STATES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Sep 82 p 3

[Article by C. C.]

[Text] Brasilia--Meeting in the Federal capital yesterday and today, the PMDB [Brazilian Democratic Movement Party] gubernatorial candidates are conveying to the national leadership a picture quite different from that revealed by the government in its most recent polls. They claim that in addition to the high percentage of undecided voters, who generally wind up choosing the opposition, there will be no smokescreen, ruse, or trickery capable of changing the country so radically between now and November that public opinion will lose the sense of exhaustion it has felt for years in the face of those in power. For them, all of this is reason for euphoria.

It does not hurt to give space to the optimism of the PMDB people, just as space has been given on other occasions to the government's blithe fortune-tellers. PMDB candidates feel that the PMDB will be victorious in at least 14 states. Whether the facts bear out those predictions or not is a matter to be decided this coming 16 November.

The opposition's candidates, top men, and leaders are certain that as the contest draws nearer and decisions are made by the voters, they will win in Rio Grande do Sul, Parana, Sao Paulo, Mato Grosso do Sul, Mato Grosso, Goias, Minas Gerais, Rio de Janeiro, Espirito Santo, Pernambuco, Paraiba, Para, Amazonas, and Acre. Obviously, the PMDB's people in Santa Catarina, Bahia, Sergipe, Alagoas, Rio Grande do Norte, Ceara, Piaui, and Maranhao are also chanting victory. It happens in their case that the chant is continuing more because of the need not to give up before the game is over than because of real conditions.

In any case, the situation in the states considered secure by the PMDB, according to its candidates and advisers, is as follows:

Rio Grande do Sul: The divided opposition has been an obstacle to the easy victory that Pedro Simon expected. Alceu Collares, the PDT's unviable candidate, will take votes away from the PMDB, but not enough to keep the senator from winning. The closer the elections come, the more the opposition voters will decide that it is important to defeat Jair Soares of the PDS [Social Democratic Party], and the only way to do that is to vote for Pedro Simon.

Parana: Saul Ruiz, the government candidate, has risen in the polls, but not enough to catch up with Jose Richa, who, with the time factor on his side, is likely to get elected with 60 percent of the local votes.

Sao Paulo: Franco Montoro is arguing only about whether the runner-up in the voting will be Reynaldo de Barros, the PDS candidate, or Luis Ignacio da Silva, the PT [Workers Party] candidate. Above and beyond the opinion surveys, which are more than favorable to the PMDB, there is the opposition feeling in the state, to which the Paulo Maluf government has contributed so much.

Mato Grosso do Sul: The disorderly battle to succeed Governor Pedro Pedrossian laid the groundwork for Wilson Martins' chances. Martins has the support of a strong political structure in the interior and in Campo Grande. Jose Elias Moreira, the third candidate nominated by the PDS, does not even know if he will last until November.

Mato Grosso: The situation seemed to be favoring Julio Campos, the PDS candidate, since the PDS has Roberto Campos as one of its candidates for the Senate, but a month ago, the name of Father Pombo took hold of Cuiaba, and it is not likely that the pendulum will swing back again.

Goiias: With her image consolidated, Iris Resende has tranquilly watched the rise of the PDS candidate, Octavio Lage, over the past few weeks, and although Goiania has only 15 percent of the voters, a PMDB victory is considered certain: the party's penetration of the interior equals its prestige in the capital.

Minas Gerais: Tancredo Neves began his campaign many months ago, and he interprets as few others do the sober sense of order and the irresistible yearning for freedom that envelop the people of Minas Gerais. Out of modesty, the PMDB candidate has not been referring to that image, but it has won everyone over. Although Eliseu Resende of the PDS has improved his position in the past few days thanks to a few basic changes in his campaign, he is losing in Belo Horizonte and in the big cities and small towns because he lacks the characteristics always sought by the voters--when they are allowed to--in their gubernatorial candidates. He is a technician, and Minas Gerais has never lost its preference for politicians, especially competent ones.

Rio de Janeiro: The prestige of Sandra Cavalcanti of the PTB [Brazilian Labor Party] is being eroded at the same time that former Governor Leonel Brizola of the PDT is having difficulty in growing more than he already has. The result will be a victory for Miro Teixeira, despite his links with "the Chagas group," in part because there is no choice. The good image presented by Moreira Franco, the PDS candidate, will not suffice to make him a contender for first place. Perhaps he will be able to contend with Cavalcanti for second place.

Espirito Santo: Governor Eurico Resende's tactlessness has placed the PDS at a disadvantage in Espirito Santo. The official candidate, Carlos Von Schilgen, represents neither innovation nor renovation, especially since he is not getting a boost from former Governor Elcio Alvares. So everything points to Gerson Camata of the PMDB, who is leading in the polls.

Pernambuco: The struggle is tough and ugly, since every weapon is being used against Marcos Freire. From commissioned surveys to anonymous accusations, everything appears to be demonstrating the desperation of the PDS. Despite the good image left behind by former Governor Marco Maciel, there will be no human force capable of beating the PMDB on election day. The play-acting may continue right up to the end.

Paraíba: Wilson Braga of the PDS, who has a reasonable amount of ballast, both personally and from the party standpoint, got as far as threatening the position of Antonio Mariz a few weeks ago. But the influence of opposition opinion is such that the PMDB has no doubts about the victory of its candidate, who will win by a wide margin in Joao Pessoa and who has strong support in the interior beginning in his hometown of Sousa.

Para: The quarrel between Alacid Nunes and Jarbas Passarinho has had irreversible effects. The governor wants to defeat the senator and rival, who is a candidate for reelection, at any cost, and the PDS candidate, Oziel Carneiro, stands out because of his lack of political tradition, while the PMDB candidate, Jader Barbalho, is supported not only by the ordinary people but also by the state administrative machinery.

Amazonas: If anyone's election can be viewed as a foregone conclusion, it is that of former Governor Gilberto Mestrinho. First a member of the PTB and then of the PP [People's Party], he has found confirmation in the PMDB of his victory over Josue Filho of the PDS and Plinio Coelho of the PTB.

Acre: Nabor Junior can consider himself elected on behalf of the PMDB, since according to all the polls taken, Nosser de Almeida has no chance.

It bears repeating that the assessments presented here are those of the PMDB and are the result of impressions reported to Ulysses Guimaraes yesterday. It is a good idea to wait cautiously to see what really happens.

11798
CSO: 3001/233

SHARP DECLINE IN TRADE WITH ARGENTINA DISCUSSED

Rio de Janeiro JORNAL DO BRASIL in Portuguese 29 Aug 82 p 34

[Text] Last year's drop in trade between Brazil and Argentina and the even worse situation during the first 5 months of this year will be the chief item on the agenda for the Brazil-Argentina Businessmen's Meeting, which will be held tomorrow and Tuesday in Sao Paulo. It is scheduled to end on 1 September.

Trade between the two countries is declining in terms of total value exported (imports plus exports). Total trade fell from \$1,847 million in 1980 to \$1,467 million in 1981, according to data from the Bank of Brazil's Foreign Trade Department (CACEX).

Between January and May of this year, the picture grew worse. The total value of trade between the two countries was \$434.4 million (a monthly average of \$86.9 million), representing a drop of 30 percent in terms of the same period last year. Projected over the entire year, that result will produce a figure even lower than last year, according to businessmen involved in trade between the two countries.

According to the Brazil-Argentina Chamber of Commerce, which will coordinate the Businessmen's Meeting, Argentine authorities and businessmen are to arrange for negotiations centered on two or three main points: 1) Brazilian potential as a supplier of industrial goods to replace traditional European and U.S. suppliers; 2) support by Brazilian trading companies for the sale of noncompetitive Argentine goods; and 3) the drawing up of a list of goods with preferential tariffs (increased exemption from taxes and duties).

Declining Trade

In addition to the official statistics revealing a sharp drop in the total volume of trade between the two countries (meaning total imports and exports by both countries), the agenda will also include recent problems in connection with the limiting of Brazilian purchases of wine and fruit in Argentina.

But the main issue forming the basis of the debates and the agreements to be signed--since the Argentine delegation will consist of high officials--will be the balance of trade.

The volume of trade--that is, the total value of bilateral trade--rose from \$932 million in 1978 to \$1,614 million in 1979 and to \$1,847 million in 1980. But last year it fell to \$1,467 million, a drop of 20 percent.

Brazil exported \$1.91 billion worth of goods in 1980 and \$880 million worth in 1981.

It is the statistics published for this year, however, which reveal the issue of most concern. Between January and May, the trade in merchandise between the two countries totaled \$434 million, or about 30 percent of the total trade during the same period in 1981 [as published; see paragraph 3 above]. In that same period, Brazil recorded a trade deficit of \$44 million--that is, it imported more than it exported. Last year, despite the decline noted in the total value of trade, Brazil showed a surplus of \$293 million.

The figures are important, since Argentina is now the largest market for Brazilian products within the LAIA (Latin American Integration Association) and the ninth largest in terms of total Brazilian foreign trade. On the list of Brazilian exports to Argentina, industrial products represented 72 percent of the total sales in 1979 and 82 percent in 1981. The subgroup of manufactured products turned out to have the greatest relative weight for the period, accounting for 74 percent of the total sales in 1981.

On the Argentine side, Brazil is the second-largest trading partner after the United States, buying 9.5 percent of Argentina's total exports and selling about 10 percent of the total goods imported. On the list of Argentine exports to Brazil, basic commodities, especially cereals, fruit, and vegetables, predominate.

11798

CSO: 3001/233

ARMY STRUCTURE, EQUIPMENT, ACTIVITIES DESCRIBED

Rio de Janeiro MANCHETE in Portuguese 4 Sep 82 pp 138-142

[Article by Alexandre Garcia]

[Text] "If Caxias were here at this moment, he would see an army that is united, faithful to the noble ideals of the Democratic Revolution of 31 March 1964, and cooperating unselfishly and in a spirit of self-denial to fulfill the magnificent plan aimed at adding the Brazilian nation to the roster of developed and democratic countries." So says the minister of army in his order of the day for 25 August, Soldiers Day.

The participation referred to by the minister is greater than many people imagine and costs much less than many people suspect. Reflecting its origins, the army is present in Brazil's neediest regions. It is hidden away in the inhospitable forest where it mans distant frontiers; it is opening roads in the swampy lands of Amazonia, building reservoirs in the Northeast, and providing medical and dental care in villages accessible only by boat. In the barracks, it is teaching people to read and teaching trades to recruits who have previously had little contact with civilization. In the larger population centers, it is engaged in research to guarantee the country self-sufficiency in military equipment. Almost all the equipment used by the Brazilian Army today is made in Brazil, and the support it has given our arms industry has made it possible to establish a profitable export market that pays for almost 2 months worth of imported petroleum.

In a world disturbed by wars--not long ago there was one very close to us--security has no price. But its price in Brazil is very cheap compared to the other countries in the world. The army's budget amounts to 2.8 percent of the Federal budget. Defense spending in Brazil amounts to 1 percent of the GNP. Countries such as Zaire, Algeria, Peru, Nigeria, Argentina, and Portugal spend from 3 to 15 times as much as Brazil on defense. In terms of per capita spending in South America, the Brazilian military budget exceeds only those of Colombia and Paraguay and equals that of Bolivia.

In comparison with other countries, the Brazilian Army's strength of 195,000 men is at rockbottom, considering that the country has a population of 125 million and 8.5 million square kilometers of territory. Our army has 156 men for every 100,000 Brazilians. Cuba has 1,600 soldiers in its army for every 100,000

inhabitants, while Argentina has 296, Venezuela 214, and Peru 411, according to specialized publications. Each year only 6 percent of the young men turning 18 are recruited for military service. Over 1.3 million young men avoid service in the army simply because there are no facilities for handling all of them.

Even so, the army's presence in national life is remarkable. And it has been decisive in the chief moments of our history. It was born in Guararapes, when the natives were mobilized into the first combat units to expel the Dutch invader. It grew in the black and mulatto units and the militia troops, spreading throughout Brazil to give spirit and body to the independence army. It asserted itself in internal and external struggles, in the abolition of slavery, and in the proclamation of the republic. It fought against Nazi fascism in Europe and prevented Brazil--and with it probably all of South America--from becoming a satellite in the orbit of international Marxism. In our own day, as Minister Walter Pires pointed out, the army participates in the plan aimed at leading Brazil into the group of developed and democratic societies. Brazilian soldiers consider the army's foundations to be the following: democratic vocation (its philosophical base), institutionalization (its legal base), morality (its character), doctrine (its intelligence and experience), and organization (its structure and operation).

Of the army's 195,000 men, 28,000 are officers, 35,500 are warrant officers and sergeants, and about 132,000 are corporals and privates--the great majority of them conscripts. The army's sectoral leadership is divided into five departments--General Personnel, Education and Research, Engineering and Communications, General Services, and Ordnance--and one Secretariat of Economy and Finance.

The ground forces consist of four armies (with headquarters in Rio de Janeiro, Sao Paulo, Porto Alegre, and Recife), the Military Command of the Planalto, and the Military Command of Amazonia.

What few people know is that most of the equipment used by the branches (Infantry, Cavalry, Artillery, Engineering, Communications, and Ordnance) and services (Quartermaster, Medical, Veterinary, and Religious Assistance) is made in Brazil. The basic weapon--the FAL--is manufactured by IMBEL [Ordnance Industry], the 9mm automatic pistol by Taurus, and the 9mm submachinegun by Beretta in Sao Paulo. All armored vehicles except the largest tracked vehicles are made in Brazil--examples being the X-1 A-2 (Bernardini) and the Urutu and Cascavel (ENGESA [Specialized Engineers, Inc]). The 90mm cannon tubes are produced in Bahia. The extremely modern X-20 and X-40 artillery rockets come from AVIBRAS. Also Brazilian-made are the 106mm recoilless rifle and the 81mm and 120mm mortars, as well as the 40mm antiaircraft gun. In the near future, the extremely modern Oerlikon radar-guided antiaircraft gun will be in production in Brazil. Technology for the Roland surface-to-air missiles adopted by NATO and also used by our army is in the process of being absorbed. All ammunition is manufactured in Brazil.

A country can only be secure in equipping its armed forces when it has the conditions for self-sufficiency and technological independence in connection with

that equipment. In addition to having achieved those conditions in just a few years, Brazil can export the surplus production from its arms industry. The items exported are not limited to weapons and ammunition: they also include other kinds of equipment needed by armies throughout the world. In Brazil today, the equipment for the new field hospitals is manufactured domestically, as is all the equipment used by the individual soldier. Currently being tested, for example, are the new, domestically produced 9mm URU machinegun and the single fiber-steel helmet, which will replace the double helmet of steel and fiber.

The Army Technology Center [CTEx] was established in 1979. It will soon constitute a real university for research and military technology on the Guaratiba campus in Rio de Janeiro by bringing together the Military Engineering Institute, the Marambaia Testing Ground, and the Research and Development Institute. The latter institute is responsible for the following projects, which have already been approved: the X1 A-2 combat vehicle, the bridgelaying tank, and the 108R rocket and its launcher. The CTEx has plans to establish the Industrial Development Institute and the Institute of Standards and Data Processing.

Attached to the Ministry of Army is the Ordnance Industry (IMBEL), which, in addition to producing weapons and ammunition itself, has been encouraging national private firms linked to the arms sector. For example, IMBEL played a decisive role in bringing about national ownership of the CBC [Brazilian Cartridge Company]--the largest manufacturer of ammunition for light weapons in Latin America and one of the largest in the world--in which it owns stock. IMBEL is also associated with D.F. Vasconcelos (optics and high-precision engineering) and XTAL (oscillating crystals for receivers and transmitters). IMBEL has established PROLOG (microprocessing research and production) and is currently setting up CODECE (foreign trade in ordnance). It has plants in Rio de Janeiro, Sao Paulo, and Minas Gerais.

The army's basic strength is its manpower. Personnel training in the barracks is the result of a solid educational infrastructure made up of the following institutions: military secondary schools (8,000 students in Rio de Janeiro, Belo Horizonte, Curitiba, Porto Alegre, Manaus, Fortaleza, Recife, Salvador, and Brasilia), the Cadet Preparatory School (in Campinas), the Agulhas Negras Military Academy, the Officer Training School, the Command and Staff School, the Military Engineering Institute, the Personnel Studies Center, the Sergeant Training School for the Various Branches, the Specialized Training School, the Army Health School, the Army Physical Education School, the Horsemanship School, the Coast and Antiaircraft Artillery School, the Jungle Warfare Training Center, the Communications School, the Ordnance School, and the General Penha Brasil Paratroop Training Center.

As a result of the annual training of recruits, thousands of young men return to civilian life with a trade in addition to the civic-military training they have received. They are trained as truck drivers, equipment operators, mechanics, electricians, firemen, welders, blacksmiths, carpenters, locksmiths, bricklayers, cooks, waiters, nurses, typists, telegraph operators, radio technicians, and in other fields. Many of them even receive training in the very modern special field of data processing, since the army is linked up to six

data processing centers: in Brasilia, Rio de Janeiro, Sao Paulo, Porto Alegre, Recife, and Manaus. The Data Processing System (SIPRODEX) processes about 50 administrative and information systems.

Young men with a higher education can become reserve officers by taking courses at the Reserve Officers Training Centers (CPOR's) or the Reserve Officers Training Nuclei (NPOR's). Physicians, dentists, pharmacists, and veterinarians can also become officers following a year of on-the-job training and duty to help them adapt.

The Brazilian Army's doctrine is linked to the objectives of insuring national independence, sovereignty, integrity, unity, and integration and preserving the representative democratic system as well as domestic and international peace. It also contributes to development and economic emancipation by safeguarding the country's institutions and peace. But in addition to its own goals, the army engages in supplementary activities directly linked to national development and integration.

For example, the engineering battalions have constructed over 3,000 kilometers of railway and built over 10,000 kilometers of roads, half of which are paved. They have built almost 25,000 meters of bridges and viaducts. The Construction Engineers Battalions [BEC's] are currently building roads in Amazonia, the Center-West, and the Northeast. Under a contract with the Rondon Project, the BEC's are setting up forward camps with reservoirs, "agrovilas" [colonization units in Amazonia], airports, water treatment and distribution systems, and low-cost housing.

The army's five surveying divisions have been assigned the job of mapping 35 percent of the national territory. In several states the army has agreements with the Ministry of Labor's Manpower Department and with SENAI [National Industrial Apprenticeship Service] and SENAC [National Trade Service] for the operation of vocational training centers that provide apprenticeship training for conscripts and even for civilians.

The army is an institution that is constantly being renewed through continuous changes in commands, with new men taking over from the previous generations. This gives it life, democratic inspiration, and a progressive view of events, leading it to change what needs to be changed and to preserve what deserves to be retained. On 25 August--Caxias Day--the minister of army said in his order of the day:

"The flame of the great soldier's example remains--the flame that has caused our army to be present at the decisive moments marking our history: in the struggle for independence, in the defense of national unity, in the wars that determined our frontiers, in the abolition of slavery, in the proclamation of the republic, in the struggle against the Marxists in 1935, in the fields of Italy, and in the Revolution of 31 March 1964. It is the same flame which, in our own day, when the world is experiencing its most serious crisis of economic, political, and social order, strengthens the body and spirit of every soldier, who is more determined than ever to participate in national development while preserving our traditions, guaranteeing our sovereignty, and producing security compatible with the greatness of the fatherland, regardless of the threats which may by chance come to darken our horizons."

GOVERNMENT PRESENTS DRAFT BUDGET FOR 1983

San Jose LA NACION in Spanish 1 Sep 82 p 8A

[Text] Costa Rica's regular budget for 1983 will total 22.3 billion colons, according the draft submitted yesterday by Dr Federico Vargas Peralta, minister of the treasury, to Hernán Garrón Salazar, president of the Legislative Assembly.

Planned expenses include 19 billion colons for internal financing, to be covered by 13.15 billion colons in current income, plus another 5.85 billion expected to result from the issuance of 1983 Internal Debt Bonds, which are to be replaced later by healthy sources of income generated by the Tax Reform now under discussion in parliament.

The draft budget also includes 442.4 million colons in income from duly contracted foreign loans.

Vargas Peralta added that if the sums spent on servicing the foreign debt reach a total of 1.9 billion colons, and if revaluation of salaries is granted for an amount in the neighborhood of 1 billion colons, and another 400 million is added to the MOPT [Ministry of Public Works and Transportation] budget, to be financed with income resulting from changes in port duties, then next year's expenditures are expected to total approximately 22.3 billion colons.

In absolute terms, this figure represents an increase of 4.75 billion colons over the budget now in effect, which is expected to reach 17.55 billion colons by the end of the year. In relative terms, the increase will amount to 27 percent.

Nonetheless, Dr Vargas Peralta stated that if the inflation rate, which may run as high as 75 percent, is taken into account, real expenditures may well decrease by 28 percent compared to the current year.

Deficit

Next year's budget deficit will amount to 7,508,000,000 colons, which is greater by 2,914,800,000 than the 1982 deficit, which is expected to reach 4,593,300,000 colons.

Nevertheless, Dr Vargas Peralta stated that this year's shortfall will be cut at least in half, as the budget proposal submitted to the Legislative Assembly yesterday does not include income expected from the Tax Package, which is anticipated to yield 2 billion colons.

Another 1.5 billion colons must be added from foreign sources, and tax collection is expected to improve.

The head of the treasury declared that growth in the annual budget deficit can be attributed to increasing expenses due to the rising cost of goods and services required by the government, to automatically rising expenditures due to application of current legislation, and to variations in the currency exchange rate.

Besides, he added, deficit growth is reflected in the government's current account, which shows negative savings of 1,074,500,000 colons for 1982, and 3,745,800,000 for 1983.

This means, he added, that the government will be using public credit to finance operating expenses and current transfers in the decentralized sector, and to pay interest charges on the public debt.

Dr Vargas Peralta said that of 1983's total outlay, 77.6 percent would be directed to current expenses, and within the category, 38.2 percent to consumption--in other words, to acquisition of goods and services for implementation of programs directly administered by the government.

Current transfers will occupy 22.5 percent of budget expenses; these consist of non-recoverable sums transferred by the Executive branch to decentralized agencies to permit them to finance development projects.

Growth

Dr Vargas Peralta also spoke of the purposes to which the additional 4,950,300,000 colons that represent the growth in next year's budget will be applied.

He explained that 1,975,600,000 colons will be spent on wage and salary hikes, which include the effects of the second and third revaluation of salaries granted in 1982; the cost of potential future revaluations that may be granted in 1983; and new positions to be created in the ministries of internal affairs, foreign relations, public safety, industry, energy, and mines, as well as in the judicial branch.

On the other hand, 1,030,700,000 colons are included in the budget for increases in government subsidies. These include financing of higher education, incentives for the lots and utilities program of the National Institute of Housing and City Planning, Tax Credit Certificates, subsidies to ASBANA [the National Banana Growers Association], and employers' and government's shares of health, maternity, disability, old age, and life insurance coverage.

Finally, there will be an increase in public debt service of 1.944 billion colons.

Hope

Dr Vargas Peralta stated that the overall budget figures have been accepted by the IMF. He therefore expressed hope that the budget would not be significantly altered in the Legislative Assembly.

"This is a very tight budget. In real terms there is a significant reduction," he pointed out.

He reported that the plan does not include line items. Nonetheless, he implied that such items might be included through negotiations with interested groups.

According to the national Constitution, the budget must be approved before next 30 November.

CURRENT NATIONAL GOVERNMENT INCOME

--Budget Draft for 1983--

(In millions of colons)

<u>Item</u>	<u>1982</u>	<u>1983</u>	<u>Difference</u>	
			<u>Absolute</u>	<u>Relative</u>
Total current income.....	11,953.7	13,150.0	1,196.3	10.0
Income from taxes.....	11,392.1	12,360.9	968.8	8.5
Direct.....	2,398.1	2,927.0	528.9	22.0
Indirect.....	8,994.0	9,433.9	439.9	4.9
Income from other than taxes.....	520.9	760.0	239.1	45.9
Current transfers.....	40.7	29.1	(11.6)	(28.5)

9839

CSO: 3010/2302

FAIT DESCRIBES NEW GOVERNMENT STRUCTURE

San Jose LA NACION in Spanish 29 Aug 82 p 2C

[Interview with Alberto Fait, second vice president and coordinator of the economic sector of the new government of Costa Rica by Lidiette Brenes de Charpentier; date and place not specified]

[Text] A new power structure, seen very few times in Costa Rica's history, has been established in the government with the advent of Luis Alberto Monge's presidency.

The leader delegates authority to the two people who follow him on the administrative pyramid, that is, the first and second vice presidents, in that order.

In this fashion the executive head within the executive branch is Alberto Fait, who is also the coordinator of the economic sector, formed by six ministers and the president of the Central Bank.

The first line of order in social affairs is headed by the second vice president, Armando Arauz, but he frequently consults the man who takes precedence over him in the pecking order.

Decisions in the economic field come out of meetings of the economic sector. If a minister is presented with an unforeseen situation, he calls upon the first vice president and he resolves it through the application of the overall policy which has been set forth by the president.

There is seldom an open channel from minister to president. Fait can call upon Monge if he has some doubt. The president and the two vice presidents meet for 2 hours on Mondays at the Republic's Presidential Office, and they see each other again on Wednesday mornings from 9 to 12, during the Government Council. Afterwards, each one to his own duties.

Coordination with the parliamentary faction is achieved by a meeting between Fait, Arauz and the deputies once a week, and the exchange of opinions with the National Liberation Party takes place when Fait lunches one day a week with the former president Figueres and another day with Oduber.

All of this was extracted during LA NACION's interview of Alberto Fait, 54 years old, civil engineer, who rejected the nickname "economic czar" but who nevertheless continues to be a "grey eminence" present in every economic measure. During the conversation he also touched on the advantage of bringing about a constitutional reform.

Fait Reveals How They Govern

[Question] The economic sector, coordinated by you, is formed by ministers and officials who shoulder the greatest responsibility for the task of overcoming adversity. Do you feel that the sector has acted in accordance to what the circumstances demand?

[Answer] I would say so. We have acted under pressure, because the circumstances in which we found the economy did not allow a margin for error. That is why we have worked calmly, carefully thinking out measures, which in many cases are coming about after 4 years of delay.

Almost all aspects of the economy that we touched on were negative: an unbalanced budget of nearly \$15 billion colons; price increases on the order of 95 percent; unemployment which affects some 80 million people; our foreign credit system in pieces; fuel stocks for 3 or 4 days; a decrease in production estimated between 4 and 6 percent a year; and serious problems in many private enterprises due to the effect of a devaluation that reached 650 percent. There were also negative psychological factors, like distrust of and insecurity about investing.

Therefore, the ministers of economy, energy and industry, the presidency, finance, national planning and transportation, and the president of the Central Bank, we who form the economic sector, have touched on important features and a change in the economy can already be seen.

[Question] Despite your statements, the experts are certain that there has been too much slowness in adopting measures, which has helped worsen the crisis. I will give you just two examples--the approval of the exchange system took 70 days in the Legislative Assembly and another 13 in the Central Bank. The promulgation of the basic goals took 101 days. Why are you so slow?

[Answer] Well, let's leave aside the basic goals, which could have been made by decree. The critics should add 90 days more, because after the elections I myself begged then President Rodrigo Carazo for us to begin the adjustments

in the economy so they would not be so violent. Rodrigo did not want to make the adjustment and the delay began there.

As to what we are now contending with, let's remember that to pass the exchange reforms we first had to change the system of the day with 30 votes, which the party does not have. Then they were obtained, and the project was approved with 41 votes, an important number in order to avoid future allegations of unconstitutionality in the monopoly of foreign exchange which was being established in favor of the state.

It is also possible that problems of a human nature arise which delay things somewhat. That is all right, we accept the criticism, but we could not act any faster because that is the way the system is.

There are some who have said that special powers should be given to the constitutional government every 20 years for at least 6 months, so that it could work faster. But what is nothing more than a plan. It does not exist in actuality, although it would be worthwhile to study it.

On the other hand, I believe it is time our regime is reformed. I have spoken with many attorneys specializing in constitutional law who feel that our constitution is in need of a finishing touch, which could be accomplished by partial reforms, so as not to alarm anyone. But I do believe that it is needed.

Actually, there is no chapter which clearly delineates the powers of the Executive Branch in case of an emergency. Given this fact, I was told that if the assembly is not in session, the Executive Branch cannot even make a change in the items on the budget. In other words, we would be faced with an unforeseen, difficult situation. Just like this, there are many aspects needing reform.

[Question] Then, would you favor a partial constitutional reform?

[Answer] I would prefer a partial one because the partial reforms can be studied and the different chapters of the constitution can be passed without raising the hopes of a full Constituent Assembly. As I have said, I have heard very diverse opinions from all the political sectors, but all agree that the Constitution needs almost total remodeling. I repeat, partial reform.

[Question] With regard to Article 132 of the Magna Carta, which prohibits former presidents from returning to power, would you agree to rewriting it?

[Answer] Well, that is a difficult question to answer. But I believe it must be studied, in light of the circumstances of each situation. A ruling of this kind which prohibits reelections could cause problems for the country. I think the American system is healthier, permitting the incumbent president to be reelected for 4 more years.

I feel that we are now ready for this system to function in Costa Rica as in the United States, so that the incumbent president may place his name before

the electorate for consideration, and if it decides that his work has been satisfactory, then it may reelect him for 4 more years. I prefer that method.

[Question] But, are we going to change Article 132?

[Answer] I would say that each generation must find its own solutions.

[Question] Excuse me, but you are not giving me a specific answer. Would a partial reform eventually include modification of Article 132?

[Answer] It could, but the result would be left up to the legislators. In general terms, I believe that each generation must give its own answer, and reelection at this time--at least in my opinion--should be subject to the period immediately proceeding the one in which the reform is made.

[Question] Returning to the critics, the other weakness ostensible in the economic sector is lack of coordination. Remember what happened with the beginning of a single bank. Don Alberto, do you all understand the importance of unity of action in financial matters?

[Answer] I do not feel that there is so much discrepancy. The press's eagerness to find out who has said something different in order to put him at odds with someone else, seems to me to be a sick interest. They convert discrepancies in criteria into ideological and political differences, which is not the case.

[Question] How is the government machinery coordinated, in practice?

[Answer] The economic council makes decisions and if there is some doubt, this office is consulted for everything having to do with economics, and Armando Arauz for social matters. Then, we meet with the president every Monday between 12:00 and 2:00 for a work session.

[Question] Do you see Mr Monge often, or are you limited to only this meeting?

[Answer] Permanently, to only this one. But when I have a question I can call him at any time.

[Question] How is the administration conducted?

[Answer] Luis Alberto is a person who delegates widely; he is a man of action who outlines the general framework for action, with which one must become fully acquainted, because once he outlines his thinking, the vice president define the corresponding tactics. He tells how to do things and the ministers get them done. In this regard the government operates on three levels. Certainly, in order to design his strategy the president meets with the vice presidents, expresses his points of view and listens to our opinions. But he is the one who definitively decides. This is what he has termed collegiate government.

[Question] If a minister has doubts about some point, whom does he consult?

[Answer] The matter is brought before the economic council and the decision is made there.

[Question] But if the problem arises unexpectedly?

[Answer] Then with me, or if it's social, with Armando. If Luis Alberto is not here, the two of us meet and resolve it, as we have enough authority to do so.

[Question] Then you do not always have to consult with Luis Alberto?

[Answer] Not unless I feel it is necessary. That is how Luis Alberto works. That is how he worked during the campaign, and I hope that I am not breaking any law by speaking of it. He delegates and waits for the person delegated to consult with him when necessary.

[Question] Would you agree that you are the strong man of this country's economy?

[Answer] I would say that the economic council is the strong body in decision making. Luis Alberto would not like the existence of an "economic czar," but rather that reasons are discussed.

[Question] Political theory accepts as an irrefutable truth that those who govern should have power and authority, and that even though the powers of the state are not subordinated to one another, there should be uniformity of direction to avoid anarchy. A brief glance at what is happening between the Executive and Legislative Branches reveals that President Monge lacks the strength to assure the directors of the government, and the National Liberation Party does not have a leader, commander or organization that can impose a line of conduct. They go from one extreme to another, from bedlam to excess. How do you see this situation?

[Answer] The constitution prohibits us from efficiently coordinating government and party. For example, it shows you that the Board of Elections prohibited me from serving on the political directorate of the party, even though I would not have had a vote. This is a failure of the system that we cannot resolve.

I believe that President Monge has a mandate, and a strong one, as well as a very personal way of exercising it humbly, politically and without causing irrevocable friction.

The famous excesses of Baltazar's feast ultimately did not result because President Monge reminded the finance commission of how the budget must pass, and that is how it passed. He is not the commander who gives orders, nor does he rush into his decisions, but if you view him calmly, he gets what he wants.

[Question] Yes, but time was lost.

[Answer] Correct, but it is very difficult to find a government that works with the maximum economy of time that at the same time does not cause lasting friction. I think that Luis Alberto's government will become increasingly stronger, will coordinate with greater efficiency, but without anyone feeling hurt by his ideas.

[Question] How is the link between the Executive Branch and the National Liberation Party established?

[Answer] The two vice presidents create it by order of the president. We meet with the faction every Thursday at 9:30 am. I meet once a week for lunch with the former party president, Jose Figueres, now president of the executive committee, and another time with the former leader, Daniel Oduber, now president of the political committee. Through these conversations we are combining criteria.

To conclude, I want to state that no government is going to get this country out of its crisis with temporary measures. The final solution must be in a man with a different attitude, who will get rid of communism, who will use resources in a more rational fashion, and who will produce more and develop the habit of saving.

9730

CSO: 3010/2299

BRIEFS

NEW RADIO STATIONS--The Costa Rican Government has decided to neutralize Nicaragua's "ideological radio waves." Beginning in October, Costa Rica will install a powerful cultural radio station in Upala, located near the border with Costa Rica's neighbor, according to reports from the Presidential Office. Residents of the northern part of the country constantly complain that only Nicaraguan radio stations can be heard there. The new radio station will transmit 24 hours a day, and there will be special cultural programs for the area with a simple set of messages. Another radio station will be set up in Pital, San Carlos, and another in Nicoya. The Princess of Liechtenstein, who will arrive here next month, will take part in the inaugural ceremonies, as her principality in Europe is a partial sponsor of the new radio stations. The station at Nicoya will open next 2 October, and Vice President Armando Araúz, a native of that city, is expected to attend the ceremony. The transmitting power of our nation's television stations may be boosted in the future in order to neutralize the influence of the Sandinist network, which penetrates deep into the northern region for 6 hours every day. [Text]
[San José LA REPUBLICA in Spanish 25 Aug 82 p 2] 9839

CSO: 3010/2302

RODRIGUEZ LLOMPART DISCUSSES RESULT OF SELA MEETING

Havana GRANMA WEEKLY REVIEW in English 5 Sep 82 p 3

[Article by Orlando Gomez]

[Text]

● THE MINISTERS of 26 Latin American countries have come together to analyze present policies and discuss the possibilities of future economic cooperation in the region. Furthermore, they have agreed unanimously to work out a common strategy to effectively cope with the coercive policies imposed by the United States and the EEC. Such an event is still quite unusual in our hemisphere and therefore has attracted considerable attention.

This news of the ministerial meeting of the 8th Council of the Latin American Economic System (SELA), recently concluded in Caracas, Venezuela, comes to us via Prensa Latina at the same time as it made headlines in the most important Latin American dailies.

Representatives of all 26 SELA member states attended the meeting, which is considered by economists and authorities on regional economic security to be the most important since the organization was created in 1975.

Considered to be the most significant of the 32 agreements made at the meeting was the decision to redefine economic relations with the United States and the European Economic Community, which were directly responsible for the strangulation of Argentina's economy as a result of its just claim of sovereignty over the Malvinas Islands, and for 23 years of economic blockade against Cuba.

Another important agreement reached was the reaffirmation of the sovereign right of every nation to follow its own social, political and economic path freely and in peace.

The Cuban delegation to the 8th Council of SELA was headed by Héctor Rodríguez Llompart, minister-president of the State Committee for Economic Cooperation. Upon his return to Cuba, Rodríguez Llompart reported to *Granma* on the progress made in discussions and the agreements made between Latin American ministers, with the unforgettable meeting in Caracas still fresh in his mind.

"Without any doubt, the 8th Council of SELA is unprecedented and has been recognized by experts on the subject and the international press as the most important meeting to be held since the System was created.

"It should be pointed out that the international, political and economic climate which surrounded the Council made possible unanimous agreement on a variety of decisions and work programs that are very Latin American in nature, and regional unity in the face of U.S. and EEC economic aggressions which are historical facts of life for our countries."

Can you explain, Mr. Minister, the factors that have brought about this favorable climate which is creating a greater understanding and unanimity of viewpoint among our countries?

"Yes, without a doubt, the Malvinas crisis and the depressed economic situation in the region are factors which have unified us, served as catalysts and brought out the need for unity in the face of such powerful enemies. The aggression of an extrahemispheric power backed by the United States and the coercive sanctions taken by the EEC against Argentina are the two main factors which have made possible this collective increase in awareness.

"Other critical factors which exemplify the disastrous economic situation currently facing Latin America are: the region's overall foreign debt, which has reached the astronomical figure of 240 000 million dollars; the serious drop in prices of the basic products exported by the region; the high price of imports; and the high interest rates."

Can you tell us who were some of the delegates at the meeting who shared your opinions on the economic situation and the dependence on imperialism which exists in our continent?

"During the Council, political and economic authorities from the region made it quite clear who they thought was chiefly responsible for our economic, political and social problems and they also expressed the need for united action.

"Luis Herrera Campíns, president of Venezuela, said in his speech: 'We cannot accept an unequal or unjust relationship which puts us in a subordinate role in our time, in which it seems colonialism strives to repeat the past.'

"Later on he said, 'This is an urgent, historical task which we cannot postpone, which affects our economic security, one of the basic elements for.

our independent political security and our military and strategic security.'

"Dr. Raúl Prebisch, eminent economist, said, for instance, 'The industrial nations are not fundamentally interested in furthering a development in Latin America with deep social implications. Except for a few sporadic exceptions, they only involve themselves insofar as they can benefit their own development.'

"In the same speech, he pointed out, 'As I said a little while ago, this is inherent in the very dynamics of advanced capitalism.'

"Concerning the present economic situation in the capitalist nations, Enrique Iglesias, executive secretary of the Economic Commission for Latin America, stated, 'After recovery occurs, there are serious doubts that the capitalist world will be able to absorb its armies of unemployed. At the same time, hitherto unknown gaps and challenges are rising out of the changes in trade relations.'

"As you can see, on this occasion the technical phraseology which at times conceals reality was abandoned and things were called by their real names. Prebisch and Iglesias, who are both world-renowned economists, openly accused the developed capitalist countries of being directly responsible for the situation prevailing in the underdeveloped countries, particularly in our region."

Mr. Minister, could you mention some of the most important decisions made at SELA's 8th Council session?

"The Council agreed on the most imperative economic features of the region which, owing to their political implications, have been treated as taboos for years. They include economic measures of a coercive nature such as blockades and economic embargoes, the freezing of funds, suspension of loans, etc.

"A resolution as important as No. 112, which deals with a situation like the one I just described, goes beyond the strictly economic level. In its first article, the sovereign right of all nations to follow their own paths in economic and social matters is affirmed; in peace and freedom without pressure, aggression and threats from outside. If it's not too long, it would be good to print the whole resolution." (See text of resolution on this page).

"For the first time, a specifically Latin American collective defense procedure has been established to combat economic aggression from outside. This was adopted in the Council's Resolution No. 113, which says that one or more member states have a right to call for an urgent special session of the Latin American Council's Permanent Secretariat if they feel that they are the object of coercive economic measures, in violation of the standards and practices of international law, adopted by a single country or a group of countries outside this region. The Permanent Secretariat will then decide upon a common course of action and adopt the necessary steps to counteract such coercion."

Mr. Rodríguez Llompart, what was said about the economic relationship between our region and the United States?

"When dealing with the economic relations between Latin America and the United States, the Council adhered to the Panama Declaration, which proposes to 'define a common strategy for multi-

lateral action on the part of all Latin American nations against the United States of America.'

"In the introduction of this declaration, it is stated that the economic relations between Latin America and the United States are characterized by an imbalance in favor of the latter country and go against economic and social development in the region. The Council also dealt with other aspects related to the defense of the region's economic interests in regard to the United States and the European Economic Community such as:

"Support for the Republic of Panama in its negotiations with the United States concerning implementation of the Canal Treaties;

"An end to the negative balance in relations with the European Economic Community and the determination not to resume the dialogue with the Community until it totally lifts all sanctions imposed on Argentina."

"For the first time, SELA agreed on a decision dealing exclusively with Cuba in which it says, 'Owing to its discriminatory nature and because it is contrary to regional cooperation efforts, the Council rejects the recent embargo that the United States has declared on handicrafts from Cuba.' On this point, the resolution is referring to Cuba's participation in SELA's Action Committee, which tried to have Cuban handicrafts exhibited at various commercial events in the United States."

It would be interesting for our readers to know if the question of a meeting of heads of state of Latin America and the Caribbean was touched upon on this occasion, since some countries have suggested that it be held soon.

"The need for such a summit meeting for Latin American heads of state was commented on and discussed among the delegates of the participating countries. The call for holding the summit voiced the various opinions of the delegates but it became very clear that the majority of those present want it to be held.

"I would like to use this opportunity to tell you that in the speech representing Cuba's viewpoint I made reference to something which has great symbolic and historic value for our region. It will soon be the 200th anniversary of the birth of Latin America's great liberator, Simón Bolívar, who as early as 1826 convened the Amphitryonic Congress in Panama. That is the direct ancestor of the meeting of heads of state we have been talking about."

After thanking Rodríguez Llompart for kindly granting Granma this interview, I remembered one of José Martí's foresighted ideas which was used in the speech delivered by the Cuban delegation at the SELA Council meeting. It brilliantly suggests to the peoples and governments of Our America that the most essential of our present needs is for all of Latin America and the Caribbean to stand united in the face of U.S. imperialism. José Martí expressed this in the following words:

"Only a virile and unanimous response, for which there is still time without risk, can free all the peoples of America once and for all from the anxiety and agitation — fatal at the time of a country's development — in which the secular and admittedly predominant policy of a powerful and ambitious neighbor... would constantly hold them."

● Orlando Gómez

HISTORY-MAKING RESOLUTION NO. 112 PASSED BY 8TH SELA MEETING

Article 1. — To reaffirm every nation's sovereign right to opt for its own economic, social and political system in a climate of peace and liberty, free of foreign pressure, aggression and threats.

Article 2. — To express its solidarity with those against which coercive economic measures have been applied or are being applied, in violation of the norms and practices of international law and detrimental to their sovereignty and economic security.

Article 3. — To condemn the imposition of and demand the lifting of the economic embargo and blockade, the freezing of funds, the suspension of credits and other coercive, illegal and arbitrary economic measures put into effect against a number of developing countries to undermine and impede the full exercise of the national sovereignty that each one has opted for through the sovereign decision of their respective peoples and governments.

Article 4. — To defend this Latin American principle in all international forums and to develop a firm action that will result in the international community's refusal to accept the imposition of coercive economic measures in view of their illegal and arbitrary character.

CSO: 3200/2

STUDY NOTES FOR FIDEL'S MONCADA SPEECH ISSUED

Havana VERDE OLIVO in Spanish 26 Aug 82, No 34 pp 8-11

["Methodological Instructions" for group study of Fidel's Moncada speech]

[Text] --Subject: Speech delivered by Commander in Chief Fidel Castro Ruz at the main ceremony honoring the 29th anniversary of the attack on the Moncada Barracks.

Objective:

When they have finished studying the speech, the servicemen should be able to:

1. Name the historical factors that led to the selection of Granma Province for celebration of the 29th anniversary of the attack on the Moncada Barracks.
2. Mention some of Granma Province's economic achievements.
3. Indicate the most significant advances made in the social sphere in Granma Province.
4. Enumerate the country's most important socioeconomic achievements during the first 6 months of 1982.
5. Explain how the present capitalist economic crisis affects our country.
6. Name the measures we should adopt to counteract the negative effects of the capitalist economic crisis.
7. Indicate how our country meets its internationalist obligations.

Distribution of time:

- Introduction (5 min)
- Discussion. Study questions.

- I. Factors that led to the selection of Granma Province for celebration of the 29th anniversary of the attack on the Moncada Barracks (25 min).

II. The country's economic and social growth during the first 6 months of 1982 (20 min).

III. Effect of the present capitalist economic crisis on Cuba (25 min).

- Summary (5 min).
- Verification questions (10 min).

Introduction (5 min)

- The reason for this subject can be introduced orally through the following question for the servicemen: Where was the main ceremony for the 29th anniversary of the attack on the Moncada Barracks held?

- After hearing the expected answer, the politics-class leader will ask the group another question: Can one of you tell me why that province was chosen?

- Working from the servicemen's answers, the group leader will begin to discuss the first study question.

1. Factors that led to the selection of Granma Province for celebration of the 29th anniversary of the attack on the Moncada Barracks (25 min).

- Speaking of the historical factors that led to the selection of Granma Province for celebration of the 29th anniversary of the attack on the Moncada Barracks, our commander in chief, Fidel Castro, said:

"... Bayamo and Santiago de Cuba are inseparably linked on this date we are commemorating today.

"But at the same time we also are in a region full of history. . . . "

- In fact, Granma Province was the site of important events in history (Use graphic No 1 to indicate the most important ones).

- However, it is necessary to stress that the province "earned not only the historical, but the present-day, right to be the site of the July 26 celebration." Let's look at some data that explain what was just said.:

-- A series of major expenditures of funds has been made in the province in recent years (Indicate some; page 30 and page 6 of VERDE OLIVO magazine, 31/82).

-- Sugar production in the 1982 harvest was 472,000 tons, surpassing the 1981 harvest by 47,000 tons; and it surpassed the biggest harvest the capitalists had produced by 100,000 tons.

-- There were also successes in livestock-raising:

- The supply of cattle increased during the 6-month period by 2.8 percent.

- The supply of milk cows increased by 17 percent.

"Production of over 314,000 tons of milk in one day during the peak period constitutes an achievement by the province's dairymen."

-- In rice production, the introduction of new varieties and more efficient methods has made it possible to achieve yields four times those obtained during the early years of the Revolution.

-- Advances are also being in production of coffee and cacao, and in forestry.

-- To summarize the economic aspect, let's look at some indicative figures:

- At the end of 1981, the province had fulfilled 103 percent of its commercial production goal, a 14 percent increase over the same period for the previous year.

- During the first 6 months of 1982, 107.5 percent of the commercial production plan had been fulfilled, a 10.2 percent increase with respect to the first 6 months of the previous year.

We should stress that these increases are primarily due to the overall increase in productivity.

- The economic achievements can be seen in the following table (Indicate the economic data appearing in graphic No 1).

[Granma Province]

Area: 8,461 km

Population: 744,573

Population density: 88/km

Gross Production
(In Millions of Pesos)

1977 433.3

1978 452.5

1979 442.4

1980 469.1

1981 535.7

In Granma Province:

- Our first war for independence began.
- The first machete charge, led by Gomez, took place.
- An event that moved the world took place: the Bayamo fire.
- The first cry of "Independence or death!" was heard.
- The national anthem was written and sung for the first time.
- Highly significant battles took place under the command of Antonio Maceo.
- With the Moncada action our final push to independence began.
- The Granma expedition landed.
- The first battles that we won took place, as did many decisive encounters in our war for liberation.

- A sweeping development program has been carried out in the social sphere.

Health:

-- Completion of the 600-bed Celia Sanchez Manduley surgical/clinical hospital.

-- Opening of the 110-bed Manzanillo psychiatric hospital.

In the province there are now:

-- 2,511 beds in hospitals: one for each 296 inhabitants.

-- 463 physicians: one for every 1,608 habitants.

-- 170 dentists: one for every 4,379 inhabitants.

Other achievements in the area of health are:

-- Creation of 11 rural hospitals.

-- Operation of 8 medical stations in the mountains, 3 newly created.

-- Increased work in hygiene and epidemiology.

Education:

-- Increase in schools.

-- Repairing of school buildings.

-- Physical care of school facilities.

"Granma is concluding this year of the 29th anniversary of the attacks on the Moncada and Carlos Manuel de Cespedes Barracks, in Santiago de Cuba and Bayamo respectively, with the best academic year in its history in terms of the promotion rate."

Other Work of Benefit to the People Carried out in the Province:

-- Installation of essential services in the Camilo Cienfuegos subdivision.

-- Elimination of the chief source of infection in what is called the "Malaria Ditch."

Moreover:

-- Nine municipalities received the benefit of an increase of 3,100 telephone lines.

-- The 13 municipalities in the province are linked by automated equipment, and it is possible to call Havana, Las Tunas, Holguin, and Santiago de Cuba from any of them.

- Television transmission power was increased by 20 percent.
- 150 kilometers of railroad line are being repaired.
- Three stations are being built: Bayamo, Rio Cauto, and Guamo.

Moreover:

- In 1981, 134.6 kilometers of electric power lines were erected, benefiting 95 economic and 35 social projects as well as a total of 3,776 families.
- Regarding the 1982 plan, as of 30 June 85.5 kilometers of power lines had been erected, serving 142 social and economic projects, and 23 residential districts had received electricity.
- Finally, we should indicate that the struggle for location of the site of the 26th of July celebration in Granma Province led to a strengthening of the organization and functioning of the party, the UJC [Union of Young Communists], the mass organizations, and governmental agencies in the province.
- 2. [As published] The country's economic and social growth during the first 6 months of 1982 (20 min).
- The economic and social endeavor in the rest of the country has not progressed badly during the first 6 months of 1982:
- The 1982 sugar harvest has been one of the largest in our history: 8,207,178 metric tons of 96° sugar.

These achievements in production volume have been accompanied by significant progress in overall efficiency. Comparison of some figures from the 1981 harvest with those from the 1982 harvest demonstrate this:

- In 1982, 10.6 percent more cane was milled, and 11.5 percent more sugar was obtained.
- Consumption of petroleum per ton of cane was reduced: 1981, 0.70 gallons; 1982, 0.26 gallons. In 1982, over 100,000 tons of fuel was saved.
- At the same time, other industries made progress (Explain graphic No 2).

Industry has experienced some problems. Let's look at some of them:

- In the Ministry of Light Industry, production did not rise from the previous year.
- Paint production fell to minimal levels.
- Production of tires and paper declined.
- The plan for expenditures in programs involving electric power plants, petroleum,

nickel, sugar, citric products, textiles, and machinery, as well as others, has been adversely affected.

The following factors are among those that have contributed to the problem:

- All the available measures for saving energy resources have still not been taken.
- Lack of parts and raw materials from the capitalist sphere.
- Limited availability of convertible currency.
- Agriculture expanded by 3 percent, primarily owing to a 6.8 percent rise in cane production and an 11.7 percent increase in non-cane production.
- Livestock production declined 3.6 percent, although the plan was overfulfilled; but it should have been hampered because of limited supplies from the capitalist sphere.
- Hog production rose 11.3 percent, the mortality rate being reduced.

During the first 6 months of 1982, the commercial production plan was fulfilled 101.2 percent, an increase of 5.5 percent in comparison with the same period last year.

-- Over 70 percent of the increase in commercial production was due to a rise in productivity.

Fulfillment of Industries' Plans and
Increases Recorded During the First
6 Months of 1982 in Comparison with
the first 6 Months of 1981

Industry	Fulfillment of Plan (in %)	Production Increase (in %)
- Food	99.5	11
- Basic.	101.4	5.5
- Steelworking	--	2.6
- Light.	98.4	no increase
- Fishery.	--	7.6
- Construction	111.8	--

- Impressive results are continuing to be obtained in education (Explain graphic No 3).

- Good results are also being obtained in cultural work.

In this sphere, there have been notable increases in libraries, museums, galleries, cultural centers, book stores, and other primary facilities.

- In health, despite the dengue epidemic that unfortunately cost 158 lives, our statistics improved in relation to previous years: The infant mortality rate fell from 19.6 per 1,000 live births in 1980 to 18.5 in 1981; and life expectancy rose to 73.

Moreover:

-- Hygiene and control measures have been expanded.

-- An effort is being made to increase the number of intensive care rooms, outfitting them with modern equipment.

-- An effort is being made to expand nephrology services.

-- A program is under way to extend ultrasound diagnosis services to 60 hospitals. At present, only 9 hospitals have them.

-- Between 26 July 1981 and 26 July 1982, 261 health projects were completed in the country, of which 135 were new.

-- Rural medicine has begun to receive special, high-priority attention: Most of the 117 rural hospitals and stations have been rehabilitated. Moreover, these centers are going to be turned into teaching facilities, raising the level of care and of scientific knowledge.

-- Some \$6.5 million was allocated for the purchase of lens and frames and for modernization of optical equipment and shops.

-- Funds in addition to the health budget were allocated for expansion of teaching capacity in medicine.

-- The Carlos J. Finlay Medical Sciences Detachment was created.

Graduates by Educational Level	
Level	Graduates
- Sixth grade	202,874
- Basic secondary	178,447
- College preparatory	39,200
- Middle-level technicians and skilled workers.	58,440
- Middle-level teachers	20,981
- Sixth grade (adults).	21,192
- Basic secondary (adults).	43,278
- College preparatory	9,096
- University-trained professionals.	21,009

- The effort devoted to defense has also been extraordinary:
- In 18 months, over one-half million men and women belonging to the MTT [Territorial Militia] were trained and armed.
- It was necessary to construct military facilities of all types: schools, training centers, warehouses, and so forth.
- Regular troops made a major effort to assimilate the new technology.
- Labor and money were devoted to fortification work and protection of troops and equipment.
- These data that we have discussed reflect our people's work during the past year and in recent months. It demonstrates how much effort has been devoted to basic problems and also how much progress has been made.
- "But we shouldn't fool ourselves"--Fidel stressed--"We have problems and we're going to have problems in the years ahead, problems that may be even more serious."

III. Effect of the Present Capitalist Economic Crisis on Cuba (25 min).

- The present capitalist economic crisis is having a negative effect on our country. Expand on this idea using the commander in chief's speech of 10 February 1982, VERDE OLIVO magazine, 8/82, supplement page 7.
- The capitalist sugar market, for example--and this has a considerable effect on Cuba--is currently experiencing one of its worst crises in history.
- During the past 22 years, sugar has had an average annual price of between 25 and 30 cents a pound only during 2 years: 1974 and 1980; of between 20 and 25 cents, a single year: 1975; of between 15 and 20 cents, a single year: 1981; and of between 10 and 15 cents, a single year: 1976.
- In 7 years, the price of sugar has ranged between 5 and 10 cents, and in 10 years, between 1 and 5 cents.
- After 1980, the price of sugar began to decline until it reached less than an average of 12 cents a pound, at times hitting less than 8 cents recently.
- "We should not, however, curse sugar, for sugar is the mainstay of our trade with the socialist countries, at good prices. Moreover, we are protected by certain provisions of our agreements with them against price increases for goods we import from them."
- At the same time, our country reflects the negative effects of inflation that the industrialized capitalist countries pass on to us through imports from them.
- The effect of inflation is such that, in the case of sugar, the price of 7.41 cents a pound at which the market closed on Friday the 23d is actually equal to 2.82 cents in terms of 1970 trade relations; that is, we have to deliver over two and one-half times as much sugar as we delivered in 1970 to purchase an equal amount of goods.

- To counteract the effects of the decline in prices of export products--including sugar--and increased prices for imports, it was necessary to expand the volume of exports.

-- For example, in the specific instance of the sugar industry, during the first 6 months of 1982 a larger volume of products was exported than during the same period in 1981. The amounts are the following: raw sugar, 996,000 tons more; refined sugar, 112,000 tons; final molasses, 79,000 tons; alcohol, 120,000 tons. All this is in addition to the amounts for the same period last year.

-- Exports of other products also expanded (Indicate some of them: page 35, paragraph 3, VERDE OLIVO, 31/82).

-- However, 1982 exports are 11 percent lower in value, primarily owing to the reduction, as we noted, of the price of sugar on the world market.

- It must be pointed out that only approximately 20 percent of what we import has to be bought with convertible currency; but this 20 percent has a proportionally greater impact. We use convertible currency to import medicines, foodstuffs, raw material for animal feed, raw material for industry and construction, spare parts, some equipment, and so forth.

- The problems we are encountering are due to the following:

1. Low prices for sugar and other export products.
2. Pressure from the imperialists to limit our credit.
3. Extremely high interest rates in the financial market.
4. High prices of imported goods.
5. Problems with markets, and so forth.

- In the face of these problems, we will give priority to medicines and foodstuffs, but there may not be enough raw materials from the capitalist sphere for our industry and construction.

- Given this situation, in some cases it may be necessary to reduce hours, and even days, of work, an effort being made to have the smallest possible effect on worker's incomes (Read and discuss with the servicemen paragraphs 1 and 2, page 39, VERDE OLIVO, 31/82).

- The capitalist countries have other approaches. For example, unemployment:

-- England now has 3.2 million unemployed workers.

-- According to available figures, the western industrialized countries have 30 million unemployed workers.

- At the same time, the arms race is aggravating the economic crisis, forcing the peoples to spend much more money on defense. Our country should be prepared to live in a situation like this;

1. A greater domestic effort, more saving, more efficiency.

2. Meeting our international obligations.

"The imperialists will not make us retreat from fulfillment of our obligations; they haven't succeeded in doing so, and they never will."

Summary (5 min)

- Read and discuss with the servicemen the last paragraph in the speech (VERDE OLIVO magazine, 31/82, page 40).

Verification Questions (10 min)

- Questions Nos 2 and 5 on the list of questions.

List of questions for sergeants with command responsibility, sergeants, soldiers, and sailors:

1. Indicate the historical factors that led to selection of Granma Province for celebration of the 29th anniversary of the attack on the Moncada Barracks.
2. Mention some of Granma Province's economic achievements.
3. Indicate the most significant advances made in the social sphere in Granma Province.
4. Enumerate the country's most important socioeconomic achievements during the first 6 months of 1982.
5. Explain how the present worldwide capitalist economic crisis affects our country.
6. What measures should we adopt to counteract the effects of the capitalist economic crisis?
7. What is and will be our people's stance concerning international obligations?

Note:

These instructions will also be used by officers for preparation of reports and lectures on this subject. On that basis, the appropriate modification of the distribution of time will be made.

List of questions for officers:

1. Indicate the factors that led to selection of Granma Province for celebration of the 29th anniversary of the attack on the Moncada Barracks.

2. Indicate the country's most important socioeconomic achievements during the first 6 months of 1982.
3. Discuss how the present capitalist economic crisis affects our country.
4. Explain what measures we should adopt to counteract the negative effects of the capitalist economic crisis.
5. Indicate the consequences of the present capitalist economic crisis for the underdeveloped countries.

9085


CSO: 3010/2340

COMMENTATOR STRESSES U.S. 'USE' OF GERM WARFARE

Havana GRANMA WEEKLY REVIEW in English 12 Sep 82 p 2

[Article by Jose A. Benitez]

[Text]



ABOUT 30 years ago, on October 8, 1952, an international commission submitted a report to the UN which accused the United States of having used germ warfare in the Korean War. The International Scientific Commission to Investigate the Use of Bacteriological Warfare in Korea and China was composed of scientists from Sweden, France, Italy, the Soviet Union, Brazil and England.

After making its investigations, the Commission concluded that "the peoples of Korea and China had been victims of germ warfare."

The study revealed that clams, feathers, lice, mosquitoes, flies, mice, rabbits and other animals were used to spread cholera, anthrax, yellow fever and other diseases.

Previously, Japanese fascists and Nazis had been accused of using germ warfare during World War II.

Some historians say that chemical warfare, which is the use of compound gases, liquids or solids toxic to human beings, was used 2000 years B.C., but germ warfare, which is the use of living organisms, mostly infectious microorganisms like viruses, bacteria and fungi harmful to man, plants and animals, is a development of our own time.

The epidemics and plagues which have afflicted Cuba in recent times including the dengue, hemorrhagic conjunctivitis, swine fever, tobacco blue mold and sugarcane smut, are the most recent forms of biological warfare, in these cases forms used by U.S. imperialism in its hatred for the Cuban people.

However, contrary to some historians and scientists, germ warfare is not only the product of our century. It was invented and practiced in the United States more than 200 years ago.

The first time in mankind's history that germ warfare was practiced was in 1763 during the great Indian uprising known as the Pontiac Insurrection, named after the Indian who organized the fight against colonial domination.

The natural development of the North American Indian population was interrupted in the 17th century by the intrusion of European colonists. The history of the U.S. colonies and later of the United States as a whole is

full of treachery, violence, cheating, abuse and crime against the American Indian.

Its history is punctuated by innumerable negotiations in which the Indians sought a reasonable settlement to the problems created by the colonists. When the Mayflower arrived in 1620, there were more than ten million Indians inhabiting North America. In the Indian reservations of the United States, there are now only about half a million Indians. These "human cattle ranches," as Marti called them, are the antecedents of the South African bantustans of today.

The Indian war of 1763, which some call the war of independence, stretched the length of the colonial frontier from the Great Lakes in the North to the mouth of the Mississippi in the South. It was the culmination of more than a century of Indian passivity.

The war centered on the area which is now occupied by Pennsylvania, Ohio and Michigan. The war started with the siege of Fort Detroit, west of Lake Erie, and the siege of Fort Pitt, a point vital to the colonial system of fortifications located where the rivers which make up the Ohio River merge.

Colonel Henry Bouquet, in command of Fort Pitt, had suggested calling a conference with all the Indians from the North and the South to prevent war. However, this proposal was rejected by General Jeffrey Amherst, who, in underestimating the American Indian, did not foresee the rebellion's magnitude.

Later, Amherst proposed what was the first act of biological warfare in history: the use of smallpox to fight the Indians.

In a book published in 1898 called *The Conspiracy of Pontiac*, by Francis Parkman, certain documents related to the event are discussed. A letter sent by General Amherst to Colonel Bouquet at the end of June 1763 asked whether there would be some way of spreading smallpox among the rebellious Indians. Amherst added that every available scheme within their reach should be used to wipe them out.

On July 13, Colonel Bouquet answered his senior officer saying that he would try to plant some infected blankets in the Indian community, taking care not to catch the disease himself.

Also included in Francis Parkman's book is another

letter from Amherst instructing Bouquet to infect the Indians through blankets or any other means to stamp out the abominable race.

Apparently, Captain Simeon Ocuyer, an officer at Fort Pitt, was responsible for planting among the Indians a certain quantity of blankets contaminated with smallpox virus obtained from a hospital.

In *The Conspiracy of Pontiac*, judging from a letter by

Captain Simeon Ocuyer, smallpox broke out some time later in Fort Pitt itself, probably as a result of the plan backfiring. The following spring, Gershom Hicks, who had been among the Indians, reported in Fort Pitt that smallpox had wreaked havoc among the Indians for some time.

Clearly then, biological warfare is a diabolical U.S. invention, some 219 years old.

CSO: 3200/2

PART OF PUNTA GORDA NICKEL PLANT COMPLETED

Havana GRANMA WEEKLY REVIEW in English 5 Sep 82 p 3

[Article by Alexis Rojas Aguilera]

[Text]

● MOA, HOLGUÍN. — Project No. 8 of the nickel processing plant being built in Punta Gorda, in eastern Cuba, is now in its last stage of construction. It will be the first of 11 sections of the construction project to be turned over to the enterprise in charge of running the new plant, which expects to produce 30 000 tons of ore concentrate per year.

Project 8 includes the administration and other auxiliary buildings, the main machining and boilermaker shops, the automotive shop (which is now undergoing final adjustments for a trial run) and storerooms.

It was reported that the value of the work done this year by the workers of the Integral Construction Enterprise No. 5, in charge of the project, would run to over 43 million pesos and includes the casting of 58 800 cubic meters of

monolithic concrete and 4112 cubic meters of concrete for prefabricated sections, along with the installation of 27 000 metric tons of metal structures and 14 000 metric tons of technological equipment.

The new plant is the largest project being put into effect in Cuba at present and involves an investment of some 600 million pesos. To date, 52 percent of the construction has been completed.

Other works now in progress include the installation of the second of four gantry cranes (weighing 1200 tons), eight reducing furnaces and seven mineral dryers. Also nearing completion is work on other minor projects of the 250 called for in the construction plan of this large-scale project, which constitutes one more example of the solidarity between the Soviet Union and Cuba.

CSO: 3200/2

BRIEFS

BRITISH AID—Roseau, Dominica, 25 Sep CANA--Dominica is to receive a 730,000 dollar (one EC dollar; 27 cents U.S.) grant from Britain for work in small-scale development projects in rural areas, a British Government statement said. Since 1976 Britain has been assisting Dominica with its community development and self-help programme by providing financial aid which has now totalled 600,000 pounds sterling. [Excerpt] [FL251855 Bridgetown CANA in English 1355 GMT 25 Sep 82]

CSO: 3298/1109

OFFICIAL BLAMES SUBVERSION FOR RURAL EMIGRATION

Guatemala PRENSA LIBRE in Spanish 27 Aug 82 p 8

[Text] Subversion is the principal cause of the emigration of Guatemalan peasants toward Mexican frontier towns, the minister of foreign relations, Eduardo Castillo Arriola, said yesterday.

A news dispatch received in Guatemala pointed out that in less than 30 days more than 4,000 peasants had crossed the Mexican border and had sought refuge in that country, since they were under threat by groups of armed men.

On commenting on these international dispatches, Minister Casrillo Arriola said that "this press report information is questionable," since instead of emigration of peasants, many families are returning to their communities as a result of changes and the security the present government is offering.

He stated that peasants who live close to the Mexican border many times venture into towns in the neighboring country in search of works, since laborers from here, besides constituting a pool of cheap labor, are responsible, hard working and honest.

He added that the principal cause is subversive action because terrorist groups burn homes, destroy fields and threaten with death those who refuse to collaborate with them.

"In this situation," he continued, "families are obliged to seek refuge in secure places and since Mexican territory is close, they cross the frontier.

"We can assure you now that positive changes have taken place in the country. The government granted amnesty for all those tainted with subversion: there is testimony from reliable sources on President Rios Montt's human rights policy.

"For all this, I believe that a massive exodus of peasants has not occurred recently. To the contrary, they are returning to their villages.

"One must realize that at the present time programs are being put into effect to reconstruct towns destroyed by subversion. There are various activities in which the government is reducing unemployment in many country villages."

BRIEFS

BEAN EXPORTS SUSPENDED--Starting immediately no bean exports will be authorized, owing to the fact that the prolonged drought in the eastern departments has resulted in a production fall off estimated 3 months ago, Minister of Agriculture Leopoldo Sandoval Villeda revealed. He said that it is true that grain analysts initially estimated a bean harvest surplus, in comparison with those produced in preceding years, but the influence of natural phenomena (scarcity of rain) led them to change those predictions. "For this reason," he said, "not a single pound of beans will be allowed to be exported even though they will pay highly attractive prices. Beans will not be exported because this grain, as with corn, composes the basic diet of the general public. That is to say, that we must be very careful in this sense in order to maintain stocks for the domestic market. Put in another way," he concluded, "the government of the republic will not contribute to foreign exchange flight when with good administration we will have self-sufficiency." [Text] [Guatemala PRENSA LIBRE in Spanish 31 Aug 82 p 6] 9928

COFFEE QUOTA REDUCED--The International Coffee Organization (ICO), confirmed a new cut in the Guatemalan export quota equivalent to 46,483 quintals. On making this known, the National Coffee Association (ANACAFE) said that this was the second cut in the fourth quarter of the coffee year, because in June there was another one of 60,805 quintals. It was also noted that the aforementioned cuts were preceded by one of 65,765 quintales in May, which means that in the coffee year, which extends from October 1981 to September 1982, there have been three cuts in the global quota of 2,457,391 quintales assigned to Guatemala. Taking into account that under the quota system it is not possible to apply more two cuts per quarter, and since both have already been made in the present quarter, no further cuts are expected. The information from ANACAFE indicates that the export quota cuts are due to the fall of international prices in the coffee market. The cut is applied when for a period of 15 days the average price falls below \$.1.15 per pound (Q1.15 per quintal) and does not recover, as occurred in May, later in July, and then in the first days of the present month of August. The objective of the cut is to reduce international supply of coffee in such a way that the price improves. For Guatemala the cuts have meant a reduction of 173,053 quintals of the quota of 2,457,391 quintals which was assigned for the coffee year closing next September. [Text] [Guatemala PRENSA LIBRE in Spanish 13 Aug 82 p 2] 9928

TAIWAN DONATES AID--The Government of Taiwan has donated 36,000 quetzales as aid to the rain victims. Foreign Minister Eduardo Castillo Arriola accepted the donation today at noon from Chinese Ambassador I-cheng Loh. [PA291522 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 29 Sep 82]

CSO: 3248/24

BRIEFS

BAUXITE INDUSTRY LAYOFFS CONTINUE--Kingston, Jamaica, 29 Sep, CANA--Kaiser Jamaica Bauxite Company last night announced that it was laying off 169 workers from October 4, as the slump in the international aluminum market continues to wreak havoc in Jamaica's vital bauxite/alumina industry. This 21 percent reduction in its work force Kaiser said, has been forced by the deterioration in its shipment of ore to its parent company's U.S. smelters over the past year. Kaiser Aluminum U.S. smelters are now operating at only 26 percent of capacity, and the staff reductions here followed a three-week review by the local company, in which the Jamaica Government has 51 percent of the shares, of bauxite requirement "over the foreseeable future." However, the company felt that there was hope for the future, as aluminum would inevitably bounce back once there was an upturn in the world economy. [Excerpts] [FL291616 Bridgetown CANA in English 1556 GMT 29 Sep 82]

FRG GRANT TO 'CANA'--The Federal Republic of Germany has granted U.S. \$1,206,000 to be used for "the strengthening and extension" of the CARIBBEAN NEWS AGENCY (CANA) over the four-year period 1982-1985. According to a news release from the West Germany Embassy in Kingston the grant will be placed at the disposal of UNESCO which will administer the fund. [Excerpt] [FL281401 Kingston DAILY GLEANER in English 24 Sep 82 p 2]

ESSO REFINERY PURCHASE--The purchase price of the Esso oil refinery as disclosed by Prime Minister Seaga in parliament on Tuesday is US\$55 million not US\$39 million as reported in the GLEANER yesterday. The total is made up of US\$14 million for the physical assets; US\$2 million for inventories of reconstituted crude petroleum and petroleum products in tankage, in process, in pipeline and in transit. [Excerpt] [FL281401 Kingston DAILY GLEANER in English 23 Sep 82 p 1]

CSO: 3298/1108

STATEMENTS BY HERMOSILLO ARCHBISHOP FIND CRITICISM, SUPPORT

Warning of Social Crisis

Mexico City EXCELSIOR in Spanish 23 Aug 82 pp 1-A, 11-A, 32-A

[Article by Aurora Berdejo Arvizu]

[Text] Hermosillo, Sonora, 22 Aug--Hermosillo Archbishop Msgr Carlos Quintero Arce has warned that the economic and financial crisis could lead to a social crisis. Stressing that the trust of the people has been lost because of the immorality and corruption of the system, he asked: Who has plundered the country's foreign exchange? Why are the austere people offended by telling them they are plunderers? Why set the example of building such big mansions like the ones we know are being built?

He emphasized that "the people are suffering" and he again asked: Why not try to solve the rising cost of living? Why an indebtedness so large that, as we know, it requires that we again request loans to pay the interest? He also spoke of the rumors, immorality and corruption which reportedly exist in high government circles. That is why he asserted that the trust of the people has been lost and demanded that the government clear up all these questions and thus silence or dispel the rumors.

Quintero Arce confessed: I hope the Mexican Catholic Church attains the strength that the Polish Church has. In this regard, he admitted that the Church's participation in the July elections was a decisive factor.

"We awakened the people's civic consciousness as we never had before in history. We did not enlighten them to vote for this system or for a specific party. The Church will continue to awaken that civic consciousness. And if the people say 'we do not like this anymore,' we will continue with them on democratic change, since systems can be changed by the democratic will of the people."

He said the Church was able to play this fundamental role in the recent elections because "we are very close to the people and we listen to them in their joys and in their anguishes and we try to solve their problems." This is why he believes that Miguel Hidalgo was a hero, for he was a priest who saw and understood the need for freedom of the people, was able to unite the forces to launch a freedom movement and, above all, united the people politically.

Quintero Arce was asked: Ruling out the option of armed struggle, which you reject, could the Church again unite, as with Hidalgo, the social forces for another change?

I do not know, he replied. There must always be a leader. Such a leader may come forth, but there is a curious saying: Whoever tries to be a redeemer is crucified. And it may often happen that someone would like to be such a leader but fears he may lose what he has. Calling on the solidarity of the people, I would say that at this time we can seek paths and--as John Paul II reiterated when he spoke in Argentina against the war and always for peace--more is lost in war than can be gained and more is always gained in peace.

"Therefore," he added, "the Church will seek the good paths instead of stirring up or inciting the people and I hope we can attain the strength of the Polish Church, which continues to struggle despite everything."

Monsignor Quintero Arce insisted on one point: Why not make clear who took the dollars out of the country? Many say that private forms did it, but now many of these are bankrupt. There is going to be more unemployment, and let us hope that it is not too high. For this reason, it must be explained who took out so much foreign exchange and who provoked the flight of capital, because this is unknown and it is what troubles the people.

Basic Thought: Love of Country

He warned that the country "is not a particular government." He added that although moral renewal is urgent, it must be accompanied by a basic thought: love of country, the desire to help the poorest, the desire that society improve and not, for example, seek to benefit a few, be they factions or not, or to benefit an individual, group or family. I know we are in difficult times and we are facing many challenges but to look forward to the future with hope, there must be solidarity from the highest to the lowest.

He asked another question: We are told about the oil and that it is ours, but why is this enterprise operating in the red instead of generating foreign exchange for Mexico? Why is it that other enterprises with half as many employees produce more than we do? He insisted that the country's natural resources should truly be used for the benefit of the people and not of a group or an individual.

I, emphasized the prelate, only express the clamor of the needy, who can see that life is becoming increasingly more difficult while corruption goes on. And we see this every day, in the country's highways where truckers have to stop and pay off the patrolman. And why? And one thinks: Corruption goes up very high, and for this reason all that is bad must be eliminated until aid reaches the people, who truly need it.

Government Should Seek The Common Good

Quintero Arce also criticized the fact that the government gets involved in management of nightclubs "instead of seeking the common good of the people."

He emphasized that the government should see to it that businessmen are not greedy, seeking only to enrich themselves. The government, he said, should follow that great statement of the pope: "Private property has its social mortgage." In other words, he added, wealth is not for the exclusive enjoyment of a person, for it has its social obligations and must be for all the people.

He criticized "the centralism that is totally stifling the interior states of the republic," the practice of making decisions "from a desk over there in the capital," and CONASUPO [Government Basic Commodities Company]. Sonora had the largest wheat harvest in history. But what were the poor peasants who already had delivered their wheat doing? They were not being paid!

Could the time already have been reached for the people to see the Church as their only refuge?, he was asked.

The Church always has this role: to speak of and announce the Kingdom of God which should be here and within us, but a Kingdom of God in which we are truly brothers. And when there are injustices, oppression, "bribes" and all those immoralities, the Church must also denounce them and speak for the disadvantaged, as Mother Theresa did in Lebanon. I want to help the child who cries. I do not want to blame anyone, because that would be demagoguery. It would mean departing from my role, which is to call attention to the fact that the people need to be given confidence. There are rumors and many bad things can be seen, and if it is said that these are causing this and that, the people ask: Why talk to me about the ones who take dollars out when they themselves take them out? Why are we told that the oil is ours and life is getting increasingly more difficult?

Monsignor Quintero Arce denied, on the other hand, that the role of the Church in the elections had been a decisive factor in the PRI victory. He maintained that it was a decisive factor only in the sense of awakening civic consciousness and of enlightening the people on the parties that respect human rights, justice, true progress and the common good.

The People Have A Sense of Civic Responsibility

Now then, he added, if the people voted, it means they do respond and have a sense of civic responsibility. "The will which the people have expressed must continue to be respected," he said. "I congratulate whoever has been elected. He must be certain that he is truly going to serve the people and not his own party, any other party, any faction or his family. He has to serve the people who elected him. Thus, authority will truly be understood as the proposition of service to the people," he added.

He explained that to awaken civic consciousness in the past elections, "there was quite a struggle against the thinking of why vote when everything has been decided and we already know who is going to win. It is something," he insisted, "deeply rooted in the people: Why vote if it is already known who...?"

A true democracy means respect for the will of the voter, recalled Quintero Arce, saying he is confident such a will actually has been respected. "I

certainly hope so because there are so many rumors that if true, and if there were agreements or deals, then the system itself is wrong."

He also discussed what the pope has said: "He has said that we should not deceive ourselves by idealizing socialism too much, thinking that it is a solution that favors only the poor. We should see that in fact the historic socialist systems, the ones we have seen, the known ones always have had their faults regarding human rights. And if we are experiencing hard and difficult times, the Church always wants to maintain that balance of working for man and opposing what is said about the left or right."

In this regard, Quintero Arce denied that the Church had helped to strengthen the right and the PRI itself in the past elections by disqualifying the left as a Christian option.

The Church, he added, simply told the faithful: "When you see that the superior dimension of man is denied, you are then being reduced to a being without value because man, his greatness, precisely is that dimension which is beyond life. The Church is clear when an ideology that denies everything superior to God himself, when a humanism comes up that is against man, does not respect his rights, his justice, which influences the creation of an iron-handed system, an autocratic system. What must be done then? Well, it has to be removed."

9925

PRI Opposition To Remarks

Mexico City UNOMASUNO in Spanish 24 Aug 82 p 5

[Article by Rene Delgado]

[Text] Yesterday the PRI group in the Electoral College resolved and made public its formal protest against the statements uttered by Carlos Quintero Arce, archbishop of Hermosillo, Sonora, because "besides the constitutional breach involved" in his opinions, the apocalyptic call for political and social decomposition "can only be understood as an appeal to introversion, to an antidemocratic, antisocial and antinational regression."

The PRI position on the statements of that Church official were made public from the Electoral College rostrum by Jose Carreno Carlon, PRI representative, who indicated:

"We should all oppose the open and express aspirations of a sector of the Church to exercise political power, as well as the impudent claim that Church participation was a determinant in the 4 July elections."

The full text of the agreement by the PRI group in the Electoral College is as follows:

"The majority of the Electoral College of the Chamber of Deputies has agreed to protest the ideas presented by Carlos Quintero Arce, archbishop of Hermosillo, Sonora, in violation of article 130, paragraph 9 of the constitution, which prohibits ministers from criticizing the authorities in particular or the government in general, in that in statements to the press he acknowledges active participation in political and electoral affairs.

"It should be noted," the agreement goes on, "that the rest of the Catholic hierarchy has not joined in these statements and is maintaining a position of respect toward our constitutional provisions, and therefore we think that it is a matter of a particular act to be attributed solely to the speaker."

In making the protest known, Carreno Carlon called for the political parties not only not to allow "the slightest room for the cultivation of destabilizing actions, but to express ourselves emphatically against any tendency toward paranoid confusion, which at this time is more antidemocratic and antinational than ever."

After indicating that the declarations by Quintero Arce expressly violated the terms of our constitutional order, the PRI representative-elect pointed out that in the presence of fascistic torches that would like to set fire to our society the password "they shall not pass" takes on singular force.

The spokesman for the majority group criticized the archbishop's temerity in setting himself up as "prosecutor and judge" of the civil authorities and he added: "To the many with questions, who, as the archbishop from Sonora, plead for an answer, President Lopez Portillo will indeed provide an answer in his Sixth Government Report, but we already know many answers, those of us who do not rejoice in the confusion, but keep ourselves informed through responsible communications media."

As part of the protest, Carreno Carlon alluded to the rumor campaign that has broken out and he stated that to sow fear through apocalyptic views that exaggerate and distort the causes and effects of the crisis, "to sow lack of confidence in the nation's legitimate basic institutions and to promote loss of prestige by the labor and popular organizations everywhere has been the source of authoritarian antinational and fascist excursions by subordinate entities."

The PRI representative also established the similarity between the ecclesiastical official's language and arguments and those used in the basic documents of the National Action Party and the Mexican Democratic Party.

Expressly joining the position adopted by the PRI majority was the Popular Socialist Party group, which--beginning in the morning--denounced the growing participation by the Church in political affairs, and it criticized the government's passivity in the face of these constitutional violations. For their part the rest of the leftwing groups limited themselves to receiving the PRI position with applause.

Support From Tijuana Bishop

Mexico City UNOMASUNO in Spanish 27 Aug 82 p 4

[Article by Miguel Cervantes]

[Text] Tijuana, 26 Aug--After declaring his solidarity with recent statements by Monseigneur Carlos Quintero Arce from Hermosillo, this city's bishop, Juan Jesus Posadas y Ocampo, said today that the Church's role in the current crisis is neither political nor socioeconomic, but instead its mission is religious and consists in preaching the Gospel for the advent of the Kingdom of God.

Posadas y Ocampo thought that Quintero "spoke with courage on the country's current situation; he also echoed the voice of the people and in particular the clamor of the needy."

"Several commentators have considered his statements as criticism that invade the realm of national politics, where church ministers are forbidden to intervene. Nevertheless, the bishop (Quintero) repeatedly stated that his opinion was nothing more than the Church's social doctrine. Above all he referred to the words of Pope John Paul II and to the message of the document 'Puebla 1979,'" added this city's bishop.

He expanded on the explanation of the Church's role, pointing out that the Church has the duty to commit itself in solidarity with those most in need of help, in order to be faithful to Christ, who gave the example of "clear preference on behalf of the poor, the destitute and the weak."

"Thus," continued the prelate, "in fulfilling its mission to evangelize, and as part of that mission, the Church has the duty of denouncing injustice, immorality and corruption wherever they may be found."

9746

CSO: 3010/2277; 3010/2275

CUERNAVACA BISHOP SEES OUTCOME IN NICARAGUA AS CRITICAL FOR LATIN AMERICA

Mexico City UNOMASUNO in Spanish 30 Aug 82 p 4

[Text] Cuautla, Mor., 29 Aug--"The future of the Latin American peoples is at stake in Nicaragua, a country besieged by the Reagan administration and his puppets, where the opposition could take advantage of the religious conflicts without encountering proper repudiation by the bishops," declared today the bishop of Cuernavaca, Sergio Mendez Arceo, after noting that "it is not for the state to reconcile the conflicts of the Church, nor to show the way, but neither," he indicated, "is it the business of the Church to direct a revolutionary process or impose upon it a state program."

Referring to the reasons for his recent trip to Managua, Mendez Arceo said that he went to talk with Salvadorans and their friends about international Christian solidarity, "but also I was moved by the acute crisis of the Nicaraguan Church."

During his Sunday sermon the bishop of Cuernavaca affirmed that "Nicaragua is besieged by the Reagan administration and its puppets: governments, organizations and individuals. The Church," he added, "runs the risk, although some of its complaints may have been justified, of seeming to be allied with the enemies of the country, not just the Sandinist Front. It gives the appearance of using the persecution against the government to demand rights; there is no avoiding the idea that the opposition is taking advantage of the religious conflicts, without encountering the proper repudiation by the bishops."

"Nicaragua is the focus of attention in the world and the Church because of its search for unknown revolutionary paths in a Christian country," stated Mendez Arceo, and he added that "for Mexico, as for Nicaragua, it is an interval in its own struggle. The future of our Latin American peoples is at stake today in Nicaragua."

Textually, the bishop noted in his sermon: "In regard to the information in circulation about a religious persecution, there is nothing further from the truth. In trying out a new church-state relationship there have been mistakes in handling the inevitable conflicts, but the mistakes are on both sides, and I as a representative of the Church say that if we truly are experts on humanity we ought to be more persistent in seeking solutions."

"The most significant error by the Sandinist Front was to withhold publication of the papal letter, considering it unconditional support to the bishops, and not a response to the many appeals to the pope by the Nicaraguan Government. A more profound reading of the papal letter reveals that although it proclaims unity with the bishops, it also indicates to the bishops their task of being the makers of unity and peace."

He indicated that "the Honduran bishops, on the other hand, were exemplary in writing a communique on the subject of the report by the Latin American Bishops Council, in which they explained and defended the pastoral agents (2 July 1982). They affirm that a brief 2-hour interview is not enough to form a complete opinion. A similar document drawn up by the Nicaraguan bishops would have created a different atmosphere. It would have been something comparable to the pastoral letter from 17 December 1979. Many documents of the Nicaraguan episcopate have strained the atmosphere and caused trouble."

9746

CSO: 3010/2275

AUXILIARY BISHOP PRESENTS STINGING PORTRAIT OF SOCIETY

Mexico City UNOMASUNO in Spanish 1 Sep 82 p 4

[Article by Teresa Gurza]

[Text] Yesterday the auxiliary bishop of Mexico, Javier Lozano Barragan, appealed to the citizenry to "establish a solid foundation for elevating the country," a foundation that in his opinion should be supported by confidence in God and in austerity.

A priest for 20 years, Lozano Barragan is one of the eight bishops under Cardinal Ernesto Corripio Ahumada. Lozano declines to define himself politically-- "I do not want to put a label on myself as being right or left"--and he says that he is "simply a Christian trying to preach the word of Christ in Mexico's current critical situation."

The prelate has a number of important posts, honors and ecclesiastical academic degrees, prominent among which are doctorates and services in the Latin American Bishops Council, which has permitted him to offer lectures and courses in U.S. and Latin American Spanish studies centers. His next trip out of the country will be to South Korea; in Seoul he will explain to his colleagues how the Mexican bishops are carrying out their commitment agreed to at the Latin American episcopal meeting in Puebla.

The title of these lectures will be "Economic Aspects and Their Christian Vision in Latin America," a subject about which he notes: "Although there is no Christian economy, and it would be absurd to think that there were, there are evangelical principles that should be considered in satisfying man's needs, which involve not only production but the means of distributing it." The bishop maintains that the view economists have of man is reflected in the economy applied in each country, and he affirms that all of them may be correct "as long as they neither violate the principles of human dignity nor endanger the survival of a country as a nation through a lack of food brought about by the action of elitist groups."

In regard to the country's current situation, the bishop stated that "it would be foolish to expect that in times like these the Catholic hierarchy would express itself either in favor of or against the policies and measures for emerging from the crisis, although the Church does indeed have the duty to provide

orientation on the best way to get over the crisis." To the prelate, the most important thing is "faith and confidence in God and the austerity of life."

Mexican society "is falling into idolatry," he asserted. "It adores the golden calf and above all it values money; this explains the corruption and cynicism. We are now witnessing an undermining of Mexico's economic life."

The bishop indicates that he cannot define the crisis but he certainly can "feel it, as everyone in the country feels it," and he says that it is necessary to get through it and that to do that austerity is indispensable. "We have had enough of the life of luxury and painful inequality. Now it is necessary to produce and work, to abandon what is facade and begin by being sincere in providing information."

He immediately points out that in this time of rumors and national panic it is indispensable "to inform the people so that they are capable of forming an opinion," and that the pulpit "cannot be a party seat, although it does indeed have a right to play its part in orienting and educating, along with the other educators."

Lozano Barragan states that in Mexico "everything functions in a fictitious manner and there is a lack of efficiency. The student does not want to study, the politician does not make policy and the businessman cannot manage. We should now abandon this fictitious society and reconstruct all of society; one must recognize that we Mexicans do everything badly, we produce little and the quality is poor."

The third thing that would help to save the country is found in the urgent need to diminish the insulting inequalities. "In this sense," he emphasized, "I call on the merchants to put aside and curb their voracity, and not to continue to change the prices on their products." The bishop reiterates that to come through the crisis we need to change our way of thinking. One must finally understand that the luxury society does not work; it corrupts and kills. "This crisis has affected everyone, but one must remember that it is wearing down the poor the most."

"We need," he continued, "to establish the foundation for a solid and organized Mexico. This will be painful for the country because there was much talk of the abundant life and what is involved is living in scarcity until the crisis passes, leaving aside selfish individualism."

Lozano reiterated that at this time the Catholic Church will only orient: "The Church cannot act on options except when the dignity of the human being is being violated. That is not the case in Mexico because the laws are good; it is people who are bad."

Upon being questioned about how the Mexican bishops will be able to follow the Puebla mandate to "speak for those who have no voice," Lozano Barragan, who was careful not to make statements "that could be interpreted as interference in politics," said: "Only by orienting, as I am now doing."

In regard to the participation of the Catholic Church in the recent elections through sermons and specifically the document against the Marxist parties, the prelate responded: "We had to defend the integrity of the Gospel against the PSUM [Unified Socialist Party of Mexico]. The PSUM has a right to exist, but not to interpret the Gospel as it wishes. If this action favors the PRI and the current crisis, that would have to be demonstrated."

Referring to theology, he said that "in Mexico we are infants," and he commented on the recent "theological advances that demonstrated, as in the last papal encyclical, that capital and labor cannot oppose one another because the former is accumulated labor." Finally, he announced that he will give a course in Fresno, California, for area bishops, who on other occasions have met with their colleagues from Baja, California, since the "Yankee" bishops are very interested in getting to know Mexican culture, because, he commented, 70 percent of the Catholics in California's 17 dioceses are Mexican. They are seeking the best way to preach the Gospel to them and orient them.

He left them with the words: "We bishops cannot vote, but we can be dismissed."

9746

CSO: 3010/2275

BRIEFS

NEW OPPOSITION LEADER--Kingston, St Vincent, 24 Sep, CANA--Former Premier of St Vincent and the Grenadines, James Mitchell, has been appointed as the country's new opposition leader. Mr Mitchell takes over from former Health Minister Randolph Russel who last week lost the support of Calder Williams, the previous opposition leader and himself a former minister. [FL250110 Bridgetown CANA in English 2238 GMT 24 Sep 82]

PEASANTS, AGRICULTURAL WORKERS ASSOCIATION--Kingstown, St Vincent, 26 Sep, CANA--The farmers and workers group of St Vincent and the Grenadines has welcomed the recent formation of the Caribbean Peasants and Agricultural Workers Association (CAPAWA). Launching of CAPAWA was announced in Barbados last week at a symposium sponsored by the United Nations Education, Scientific and Cultural Organisation (UNESCO) and attended by 30 delegates from the English, French and Dutch-speaking countries of the Caribbean. Egerton Richards, St Vincent and the Grenadines representative to the symposium said CAPAWA's function is to coordinate activities of institutions involved in the programmes of development of the people of the region. [Excerpt] FL271634 Bridgetown CANA in English 2240 GMT 26 Sep 82]

PORT UPGRADE--Kingston, St Vincent, 28 Sep CANA--The Government of St Vincent and the Grenadines has signed a 1.4 million (U.S.) dollar contract with an American firm, Misener Marine Construction Inc., to upgrade the facilities at the country's main sea port in Kingston, the capital. The project is estimated to cost more than 3.4 million (U.S.) dollars. The funds for the project are being met through a 2.07 million (U.S.) dollar loan from the Barbados-based Caribbean Development Bank (CDB), while the Canadian International Development Agency (CIDA) is providing 744,000 (U.S.) dollars for cargo handling equipment for the port facility. The Government of St Vincent and the Grenadines is putting 595,000 (U.S.) dollars into the project. Construction work is expected to begin in January next year, and it is scheduled to be completed within six months. [FL281715 Bridgetown CANA in English 1622 GMT 28 Sep 82]

NEW COAST GUARD CRAFT--Kingston, St Vincent, 29 Sep CANA--The St Vincent and the Grenadines coast guard service has been strengthened by the addition of a second in-shore patrol craft, the 27-foot "Larikai," a gift from the Canadian Government. Together with its sister craft, the "Brighton," and the

larger 75-foot coastal patrol vessel, the "George McIntosh," it is now involved in training manoeuvres in the coastal waters of St Vincent and the Grenadines. A senior official in the Canadian High Commission in Barbados said the patrol vessels cost in the vicinity of 45,000 dollars (Can) each. The St Vincent and the Grenadines coast guard service is to be part of a wider joint regional coast guard and fisheries protection service for the islands of Dominica, St Lucia, Barbados and St Vincent and the Grenadines. [FL291825
Bridgetown CANA in English 1609 GMT 29 Sep 82]

CSO: 3298/1106

BRIEFS

TOBAGO EARTH TREMOR DAMAGE--Port-of-Spain, Trinidad, 29 Sep, CANA--An official assessment of the damage which more than 100 earth tremors caused in neighbouring Tobago was continuing today. Chairman of the Tobago House of Assembly, A.N.R. Robinson, described the situation in the small holiday island as "serious." Earthquake monitors here said there were more than 100 tremors last week, over a two-day period, measuring between 2.5 and 4.3 on the Richter Scale. First reports said buildings were damaged. There were no reports of injuries. Officials at the seismic unit of the University of the West Indies (UWO), St Augustine campus [said the tremors] were centered in south-western Tobago, with the strongest affecting Trinidad. Earth tremors have now become almost commonplace in Tobago. They have forced top officials of the seismic unit and attendant services to keep a closer check on the situation. [Text] [FL301525 Bridgetown CANA in English 1508 GMT 39 SEP 82]

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